

Research report No. 58

Reginaid Herbold Green

FROM SÜDWESTAFRIKA TO NAMIBIA  
The Political Economy of Transition

The Scandinavian Institute of African Studies  
Uppsala 1981

Reginald Herbold Green is a Professorial Fellow of the Institute of Development Studies at the University of Sussex. He is a trustee of the International Centre for Law in Development, a member of the Advisory Group on Economic Matters of the World Council of Churches and an Education Committee member of the Catholic Institute for International Relations. Since 1960 Dr. Green has spent thirteen years in Africa in academic, advisory and consultancy roles in over twenty states, especially Ghana, Uganda, Tanzania and Swaziland. He has written widely on Tanzania, Namibia and Southern African Development Coordination. He has served as a consultant to UNIN, is a member of the Liaison (formerly Steering) Committee of SADCC, Southern African Development Coordination Conference and an occasional consultant to the Secretary for Economic Affairs of SWAPO. He wishes to stress that the views in this article are his personal responsibility and are not necessarily those of SADCC, UNIN or SWAPO.

ISSN 0080-6714  
ISBN 91-7106-188-6

© R.H. Green

Printed in Sweden by  
Uppsala Offsetcenter AB  
Uppsala 1981

The future of South West Africa is inextricably tied to that of South Africa. Nothing except war can alter this association between South West Africa and South Africa.

Prime Minister Smuts, 1947<sup>2</sup>

We made South West. Why should we give it to you?

Settler Employer to African Employee, 1960s<sup>3</sup>

We do not believe in a system that sells people.

Striking 'Contract' Workers, 1971<sup>4</sup>

A nation which is dependent on another country for the food consumption of its population cannot be but a dependent hostage of the particular country which feeds its population.

SWAPO, Political Programme, 1976<sup>5</sup>

It must be borne in mind that the Namibian people are shedding blood to liberate each and every inch of the Namibian soil, thus each and every inch of the Namibian land must and will belong to the Namibian people.

Sam Nujoma, President of SWAPO, 1979<sup>6</sup>

### Transition to What?

Namibia is in transition from colonial rule by South Africa. Neither a 60-70,000 man occupation army nor a flirtation with a South African guaranteed 'UDI' can avert that. Speculations about timing or the balance of violence, negotiation and election are not very fruitful. What it is reasonable to assume is that Namibia will be independent by 1985 with a radical African government dominated by the liberation movement, SWAPO.

SWAPO is committed to socialism and self-reliance.<sup>7</sup> Its practice in refugee camps, base camps and semi-liberated areas<sup>8</sup> is consistent with that commitment and is distinctly reminiscent of PRELIMO. The length and nature of the liberation

struggle since its founding in 1960 (as an association of 'contract' workers led by young ex-students) has radicalized it so that Algeria, Mozambique, Guinea-Bissau and Angola are the comparable experiences, not Zambia or Kenya, Botswana or Tanzania.

The history of Namibia and especially the length and bitterness of its liberation struggle have ensured that 'moderation' and 'gradualism' are no longer marketable products in Namibia. However, this is not to say that SWAPO is committed to an overnight transition - presumably to chaos - nor that it wishes to substitute unilateral dependence on any other state for the present dependence on South Africa. A distinct awareness of the need to set priorities, to keep key sectors running, to retain access to foreign skills - markets - personnel exists. In large part, how rapid and far reaching initial transition measures are will depend on how and how soon Namibia attains independence, whether there is a mass exodus of skilled personnel, what attitudes are adopted by foreign firms and their governments (especially in respect of the illegal post 1966 mines), which governments can be perceived by an independent Namibian government as willing to cooperate or act in solidarity with it. In these respects Zimbabwe and ZANU (PF) are the most relevant precedents for interpreting the options Namibia and SWAPO will see as open under an 'optimistic' scenario while Angola and MPLA would figure in a 'pessimistic' one.

Even a brief survey of Namibia's natural resources, ecology, present economic structure, patterns of technology and employment, size,<sup>9</sup> and external environment, however, raises questions as to the constraints on, and possible meaning of, socialism and self-reliance. With about 1.3 million population, 90% of physical output (70% of Gross Domestic Product) exported, over two-thirds of middle and high level manpower expatriate or settler European, a very skewed (albeit not ungenerous) natural resource endowment, transition to either socialism or self-reliance can be argued to be impossible or so expensive economically as to be undesirable.

### The Web of Violence

The history of Namibia since European entry in the latter half of the 19th Century has been one of exceptional violence. This violence has not only been military and physical but equally social and political. It has not been episodic but virtually continuous. For most Namibians it has not been optional or escapable but always actually or potentially present and inescapable.

The first wave of violence was the manipulation and destruction of the emerging state systems of Namibia by traders, missionaries, settlers, the German South West Africa Company and Imperial Germany.<sup>10</sup> This was quickly followed in the first years of the 20th Century by the violence of reconquest after Herero, Nama and Damara revolts almost threw the Germans into the sea. That war gave the world the term genocide and in it perished over half of the Nama, Damara and Herero.<sup>11</sup>

The South African expulsion of Germany was followed by a new wave of violence. Partly this was to subdue the Namibians who misguidedly expected liberation from the new invaders. Partly it was to complete territorial conquest in the North and Northeast which Germany had not effectively ruled.

Parallel to the military violence was economic. The political economy of colonial Namibia has been the political economy of theft. Theft of land for settlers; theft of mineral, water and fishing rights for the colonial state and foreign firms, theft of cattle and more land to ensure that work would be on settler and company terms

Social violence encompassed the destruction of social systems, their warped relegation to reserves and their penetration (e.g. by appointed chiefs) to serve as means of coercive control. Even more it was built on the old Transvaal tradition: "no equality in Church or State, before God or man, in life or death, now or forever" - a tradition which was carried out more fully and longer in Namibia than in the Republic itself.

The violence of naked exploitation was built on that of theft. Apartheid and 'reserves' were one side of the coin but the other was the unity of exploitation. The Namibian territorial economy was built on African labour. As a result of land

theft and the coercive contract system it was forced labour paid below family subsistence.

By the mid-1970s, at any one time, about 100,000 African workers were employed on 6-18 month term contracts.<sup>12</sup> They come - and are separated - from 150,000-odd 'reserve' households. Their motivation is 'work or starve', neither they nor their families could survive in the reserves. The reserves by allowing some production of food and shelter lowered 'necessary' wages. By being unable to provide full subsistence, they ensured a labour force. Their employers are designated for them, organization is forbidden, residence is in prison-like compounds. Trivial 1972-79 amendments have not altered the basic characteristics of this system. Its purpose is to acquire cheap labour - vital throughout to ranching and to fish processing and, at least until the 1970s, perceived as vital to mining.

'Contract' built the colonial political economy of cattle, karakul, fish, copper-lead-zinc, diamonds, uranium. It has also doomed it. Large compounds - now 'no go' areas for the occupation authorities except in large, armed units - have proven foci for resistance organization. The involvement of most 'peasant' households in the system and the circulation from reserve to job has created a national consciousness and communications network. The mechanism of exploitation has been so brutally clear and so evidently systemic that worker consciousness has gone from seeking better conditions, to challenging 'contract', to organizing against the whole colonial system.

In its own terms the colonial political economy has been successful. After a slow start GDP, exports, remittances, settler and corporate incomes have risen precipitately since 1945. For South Africa the remittances and the captive market (all paid in foreign exchange from globally-oriented exports) have been significant.

The basic reason that South Africa has fought so hard to hang on to Namibia is quite simple - it pays.

### Economic Structure: Production

Namibia will not, in territorial terms, be a poor economy. Gross domestic product exceeds \$1,750 million.<sup>13</sup> Even on a population estimate of 1.4 million<sup>14</sup>, this gives \$1,250 per capita. Gross national product is about one third lower - \$1,200 million and \$825 per capita. (See Table 2).

In recent years constant price GDP has been virtually stagnant. However, this is the result of factors that would not necessarily pertain after independence:

- (a) reduced South African quotas for Namibian cattle and lack of adequate territorial slaughtering capacity to raise exports to other markets;<sup>15</sup>
- (b) near destruction of the fishing industry by overcatching (South African inshore and dominantly Russian-Spanish offshore) which requires a 'rest' of perhaps three years to rebuild stocks;
- (c) the 1974-1978 slump in base metal prices which now has been at least partially reversed;
- (d) above all, the political and legal uncertainties and the growing physical insecurity which have deterred new investment whether in residential buildings, the rail link to Botswana, developing irrigation or opening new mines on the basis of recently proven ore bodies.

Production is dominated (47%) by mining. Mineral exports in 1979 were of the order of \$1,050 million. (See Table 3). Diamonds contributed over half of this and uranium oxide about a third, although with Rossing now producing at its full 5,000 tonne yellowcake capacity and selling at current market prices the difference should narrow dramatically. Copper, lead and zinc contributed \$125 million to 1979 exports but at full capacity at 1980 prices their production could exceed \$200 million.

Agriculture - so far as value of output is concerned - is centered on large karakul and cattle ranches. (See Table 7). Crop output on European commercial units and on African subsistence (more accurately semi-subsistence) holding is very low. In the former case this results partly from state mana-

ged price structures and partly from ecological factors. In the latter a combination of discouraging African cash production, failing to provide agricultural services or infrastructure or inputs and the barren nature of much 'reserve' land (especially in Central and Southern Namibia) have contributed to astoundingly low yields per unit and total production.

Fishing, as noted, is now a disaster area. While up to 1,500,000 tonnes is a sustainable catch (half inshore and half offshore), actual inshore catch has declined to perhaps 250-300,000 tonnes. Metal Box has closed its tin plant, canneries are shut or operating fitfully, trawler use is limited both by quota limits and lack of fish to be caught even within those limits.<sup>16</sup>

Secondary sector output turns largely on fish tinning and meat packing with brewing, printing, machinery and vehicle repair among the larger of the other production units. Together with construction (hampered by political uncertainty) and electricity/water, manufacturing contributes about a ninth of GDP.<sup>17</sup>

The tertiary or service sector is about three tenths of GDP (and most of domestically used GDP). It is characterized by a high proportion related to servicing imports and exports and a low proportion of general government. The latter (which excludes RSA military spending) is caused by the very limited provision of services to the over 90% of Namibians who are not Europeans.

#### Political Economic Structure: Distribution and Use

The aggregate level of GDP and its average per capita level give a very partial picture of Namibian economic reality. The distribution is perhaps the most unequal and the use the most skewed of any substantial territory.

The production mix is a textbook illustration of an economy which produces what it does not use and uses what it does not produce. About 90% of all physical production is exported - 100% for minerals and karakul, 90% for cattle and fish, about 50% for manufacturing. Excluding meat and milk, Namibia is



self sufficient in nothing. Even staple grain is 40 to 50% imported in good years and up to 70-80% in drought years.

Personal income distribution is dominantly on racial lines. (See Table 2). In 1979 the average European household income was of the order of \$15,000 while that of the average African household was about \$700 (including subsistence production). African personal income stood at one eighth of GDP and one third of total personal incomes even though over 85% of the population is African. \$700 average contrasts starkly with urban poverty line data suggesting \$1,800 as the minimum necessary household income.<sup>18</sup>

The profile of economically-active population is equally daunting. Of over 500,000 economically active in 1977, about 475,000 were African (including 'Coloureds'). But of that 475,000, 240,000 were in pseudo-subsistence agriculture (2% of DGP) and another 75,000-odd in domestic service (1% of GDP). In the categories of administrators, proprietors, professional-technical-para-professional workers 20,000 of 27,000 were European and almost 5,000 of the Africans were primary school teachers and nurses.<sup>19</sup>

The financial, corporate and external economic relations structures are equally externally oriented.<sup>20</sup> The currency is the Rand, the banks - with a minor exception - are branches of South African units. The key operating companies are TNC's. One - Anglo American - engrosses diamonds, a shunk of base metals, fish processing and export, much of karakul export and a melange of subsidiary activities. RTZ, Amax-Newmont, Falconbridge (mining) and the South African state (cattle marketing; railways, harbours, telecommunications; much rail transport, power and water; a dominant interest in several mines and co-domination with RTZ of Rossing) round off the gang of five (or nine adding in Standard and Barclays, Shell and BP) which dominate productive activity.

Very few enterprises in Namibia are complete - it has not been treated as a territorial economy at all but as a corner of South Africa where it was convenient to carry on some aspects of South African business. CDM's diamond sorting and valuing, Railways' main workshops, Tsumeb's (Amas-Newmont's) copper re-

finery, the processing and auction of karakul pelts - all are located in the Republic.

Exports - except for uranium oxide and base metals - are through the Republic and handled by South African-based firms. In the case of cattle 80% are sold to the Republic as live beasts - an economically unsound approach which may help the railway and South African packing plants but is hardly cost-efficient or any base from which to shift markets. Imports are 90% through and 70% from the Republic. Importing is a preserve of South African-based firms.

The patterns of services and of infrastructure are as distorted as personal income. There is no presently usable national language - the Afrikaaner tribe's conduct has ruled out Afrikaans; English, 'the language of freedom', (or "of terrorism" as the Afrikaans press put it recently), is not widely spoken; no Namibian language is broadly national. African education is deplorable in quantity (especially beyond primary) and quality, as are the African health services. Productive services - e.g. agricultural planning and extension - are very close to being 'for whites only'. Of over 7,000 boreholes, only 500 are in African areas. There is an all-weather road net in African areas - to allow the army to move to combat liberation forces. There is a rather good vaccination service for African cattle - to ensure they are not reservoirs of contagion for settler ranch herds.

#### SWAPO's Political Economy of Liberation

The proposals for a radical transformation of the Namibian economy are uniquely those of SWAPO.<sup>21</sup> While present church thinking is certainly supportive of radical change, it is not articulated into a programme on the political economic side. With the exception of the National Union of Namibia Workers - which is affiliated to SWAPO - worker critiques of the system have been far-reaching but proposed changes have either been very general or within an immediate demand, work place-centred, human dignity/economic gains framework.<sup>22</sup>

SWAPO's firmness in respect to principles and goals can be sensed in part from a selection of quotations:

transition to a socialist mode of production - immediate nationalisation of land, mineral and fishing rights, of South African state property and of illegally acquired assets. Joint ventures and TNC operations to operate within a Namibian framework.

Land to the tillers. The abolition of all forms of exploitation of man by man... and aggrandisement of wealth and power by individuals, groups or classes. Greater equality - including universal access to basic health education and to pure water. Opportunities for full productive employment.

Abolition of 'contract' labour, child labour, 'humiliating servant systems'. Right of workers to organise and to have an effective voice in all decisions directly affecting them.

Sever all relations with the South African racist regime until there is a democratic government in that country based on the principles of majority rule.

SWAPO's Political Programme spells out both a set of goals and rough guidelines for achieving them. It has been carried further in dialogues, seminars, work in refugee and base camps, training and technical assistance contacts, but this evolution is both ongoing and unpublished. Six main themes can be identified: (1) Mode of production; (2) Rural development; (3) Distribution (exploitation and equality); (4) National economic integration/selfreliance; (5) Basic Services; (6) Participation.

The basic mode of production set as a goal is socialism. 'Bringing all the major means of production and exchange into ownership of the people' and 'planning and development will be governed by the principles of scientific socialism', are specifically set out as goals. A transitional period with state, co-operative, joint venture and private ownership is equally clearly stated, however.

The initial minimum public directly-productive sector is envisaged as including land, mineral and fishing rights, banking and finance, public utilities, mass media. Private ownership of productive assets will be allowed within a national

planning framework subject to consistency with the interests of the people and economic development.

Renegotiated (implicitly as joint ventures) arrangements with existing private enterprises are specifically foreseen. Full nationalisation is neither specified nor clearly implied. Compensation related to value is envisaged for acquired assets except in respect of land, mineral and fishing rights and South African state and state corporation assets. Continued private ownership of 'justly acquired' non-productive assets (dwelling houses, saving accounts) is guaranteed.

For settler ranchers this would appear to imply payment for herds, equipment and the 50% of the value of improvements not subsidised by the colonial state - subject to running the ranch properly up to an orderly handover. For small businesses, compensation is not a likely early major issue. There is no present SWAPO intention to seek to nationalise small stores, repair shops, lodging houses, etc.

For major ventures - mines, factories - predating the 1966 revocation of the mandate, partial acquisition with compensation to create joint ventures is likely to be the preferred transition. This applies to Consolidate Diamond Mines and Tsumeb in particular. For post 1966 mines - illegal ab initio under the 1971 World Court decision - there is much less likelihood of joint ventures or substantial compensation. Falconbridge Nickel (Oamites) and its owner Superior Oil (Etosha Petroleum), Johannesburg Consolidated (Otjihase) and RTZ and partners (Rossing) are perceived differently from the pre-1966 entrants. SWAPO has no illusions it could run the mines itself, but would probably seek new managing agents - e.g. in Scandinavia or Yugoslavia.

SWAPO is most unlikely to accept South African state or state corporation (e.g. power, railway, harbour, as well as shares in Rossing and other mines) claims for assets, still less the (largely spurious) South African claim for asserted subsidies to South-West African budgetary spending. With the possible exception of some of the mining shareholdings, such claims have few, if any, precedents in previous colonial transitions. The status of external bank loans - e.g. to Rossing - is unclear. Those floated recently by the proto-UDI South West

Africa/Namibia administration are likely to be repudiated.

'Comprehensive agrarian reforms aimed at giving the land to the tillers' is seen as a precondition for rural development. All colonial land 'rights' are to be extinguished. Continued use of part of the land by present holders is to be subject to negotiation. Peasants' and farmers' co-operatives and collectives are presented as one form of organisation to be developed, and state ranching and crop farms as another. Self-sufficiency in food is an explicit goal. Better knowledge, more inputs and agricultural industries (both to produce inputs and to process outputs) are cited as means to improve the productivity and the incomes of the rural sector.

'The abolition of all forms of exploitation of man by man... and aggrandisement of wealth and power by individuals, groups or classes' is linked to aspects of equality, including differences between towns and rural areas and regional balances in the distribution of wealth. Measures specifically cited are price control and general surveillance (to prevent 'parasitic means' of making profits) and opportunities for full, productive employment. Linked to the latter are provisions for non-discriminatory wage and salary scales and protection of workers' economic and organisational rights.

This protection is to be undertaken by unions which are to be free to defend workers' interests and to participate in economic management. The 'contract' (single, short-period migrant) labour system, child labour and 'humiliating servant systems' are to be abolished. The degree of equality in earnings envisaged is not very clear. 'Payment according to one's contribution' linked to a clear opposition to substantial unearned or property income and to broad rural/urban income differentials implies narrower limits than those in a majority of African countries. How much narrower is a debated issue.

National economic integration and self-reliance are treated as integral parts of national development (social, political, cultural, defence). Equality of access to work, removing rural/urban inequalities, provision of education and training are seen as having an economic content as well as being necessary to making the SWAPO motto 'One Namibia, One Nation' a reality. Economic exclusion (e.g. the present 'residual

sector' and 'domestic service') is seen as both politically excluding and humanly degrading. The attainment of basic self-sufficiency in food and the building-up of natural resource-based and/or input-producing industries is set in the context of increasing national economic balance and self-reliance. Public sector control of fiscal, monetary and financial policy and institutions is set out as a major means towards integration (and general operation of planning). Neither autarchy nor, it would appear, general reduction of the absolute levels of production for export is envisaged.

Priority use of meat and fish to meet Namibia's nutritional needs and processing of present raw material exports to build up value added and employment are stated or implied guidelines. In mining, fishing and ranching, meeting Namibian requirements first could imply lower exports than those associated with maximum enterprise surpluses, but drastic retreat from the world economy is neither posited nor practical if the state is to have the resources to finance other facets of social and economic transformation.

The most radical - and in the short run perhaps the most difficult - guideline relates to selective delinking to 'sever all relations with the South African racist regime until there is a democratic government in that country based on the principles of Majority Rule'. The context and detailed wording appears to leave open the possibility of selective interim use of some personnel who are South African and renegotiated relations with some private South African firms on a case-by-case basis, certainly both options are discussed by SWAPO cadres.

Basic service provision is presented in terms of health and education. Urban services, including housing (somewhat surprisingly given the shift from 'contract' to resident household non-agricultural labour force patterns) do not receive specific attention. Health is presented in terms of preventative as well as curative, paramedical as well as highly specialised, decentralised rural as well as urban. The presentation is evidently heavily influenced by SWAPO's own rural medical programme in refugee and base camps and in northern and northeastern Namibia, and the perspective this work

has provided on needs and possibilities. Education is related to self-reliance (managerial and technical), universal productive employment (functional and literacy) and nation building (primary and adult, creation of a national cadre of educators).

Participation is a recurrent theme. 'The economic reconstruction aims at the creation of a classless society'. Trade unions are seen as workers' organisations to serve worker interests and participate in economic unit management. 'To unite all Namibian people particularly the working class, the peasantry and progressive intellectuals into a vanguard Party capable of safeguarding...and building'.

Co-operative and community action are stressed. Decentralisation is implicit, rather than explicitly articulated, because South Africa's 'divide and rule' policy and attempts to create pseudo-territorial, pseudo-decentralised ethnic mini-states have required central stress on attaining the unity of people, nation and state, not because a highly centralised bureaucratic model lies behind the guidelines.

Women's participation is not treated in the Programme but has received explicit attention from SWAPO.<sup>23</sup> Its nominations for programmes demonstrate greater participation by women at all levels than that achieved by any independent African state. Its first draft legal code is on family law, in response to and largely prepared by its women cadres. There are women political commissars in combat units as well as senior women technical personnel.

Loosening the Ties that Bind

Namibia's position in respect to South Africa is aptly summed up in "Southern Africa: Toward Economic Liberation", the intergovernmental declaration founding the Southern African Development Coordination grouping:<sup>24</sup>

"Southern Africa is dependent on the Republic of South Africa as a focus of transport and communications, an exporter of goods and services and as an importer of goods and cheap labour. This dependence is not a natural phenomenon nor is it simply the result of a free market economy. The nine States and one occupied territory of Southern Africa... were, in varying degrees, deliberately incorporated - by metropolitan powers, colonial rulers and large corporations - into the colonial and sub-colonial structures centering on the Republic of South Africa.

Namibia is in fact the most extreme case - it has been treated as a sub-provincial unit in many respects without even full fledged territorial or divisional headquarters of many departments, parastatals and firms. The one exception is migrant labour - the 'contract' system is virtually totally internal (plus an inflow from Angola), very few Namibians work in the Republic. Namibia is also the most extreme case of artificial links - the economic logic of integration into the Republic's economy is far from self evident. However, that does not necessarily make reduction of concentrated unilateral dependence in personnel, institutions, knowledge, transport and communications, markets, sources and finance all that much easier, at least in the short run.

The 36,500 economically active Europeans in Namibia include a majority of South African expatriates. Almost half are on South African public or private sector contracts. While SWAPO is in principle willing to negotiate their selective secondment and gradual phasing out this may not be practicable in the public sector. A majority of the settlers also probably see themselves as South African and may - especially in the case of ranchers depart thither. Indeed the problem is not so much reducing the South African personnel presence as training Namibians and recruiting alternative expatriots to keep the economy and public services operating.



Knowledge about general technical subjects can evidently be fairly easily secured from non-RSA sources. But specialised knowledge linked to Namibia - e.g. the very detailed farm planning mechanism and its data banks,<sup>25</sup> the construction and civil engineering research and survey results - are another matter. They can only be reproduced by trial and error if access is lost (as it probably will be in the absence of substantial personnel secondment).

Transport and communication links with South Africa are omnipresent but hardly economically rational and - once Walvis Bay is secured - clearly can be reduced to secondary significance. The railroad is not self-contained - if it were the long haul to the Cape would make no kind of sense to Namibia. In road transport the dependence is on RSA firms and fleets. Even in respect to trade with South Africa the logical routes are dominantly sea (Maputo or Durban or Cape Town to Walvis Bay) not land. While Namib Air is South African owned it would be relatively easy to create a territorial and regional airline and to secure some intercontinental service (e.g. appended to Luanda or Lusaka or Salisbury flights).

Present communication links are almost all via the Republic. However, construction of VHF links to Angola, Zambia and Botswana, erection of a Class B Earth Satellite Station near Windhoek and rerouting mail via new regional and intercontinental connections could reverse that fairly rapidly and easily.

South Africa is Namibia's dominant market for live cattle. To reduce ranching dependence requires adequate abattoir facilities, an EEC beef quota (SWAPO's current intent is to pursue both Commonwealth and ACP membership) and new outlets in non-EEC Europe and the Middle East. Fish and products sales to RSA are substantial but usually at below world prices (under required deliveries). For other products, shipments to RSA (e.g. for karakul, diamonds) are neither necessary nor economically logical, except to Republic marketing firms, as the ultimate markets are in Europe and North America. The real problem - which UNIN and SWAPO have begun to explore - is to devise a new set of marketing institutions and/or induce

European, North American and Far Eastern firms to buy directly from Namibia rather than via Republic intermediaries and branch offices.

While about three fifths of Namibia's imports come from the Republic, this is more the result of a customs union and South African dominance of the wholesale and import trades than because of availability or cost considerations. Switching sources of grain - since self reliance would seem likely to take a decade to achieve - and coal - where similar constraints apply might pose cost problems but hardly insuperable ones. For other goods knowledge of alternative sources, presence of sellers and an independent tariff would result in significant short and medium term shifts in sources.

The net financial flow - excluding the war bill - is from Namibia to South Africa. An economically functioning Namibia could - like Botswana - float and manage a national currency independent of the Rand. Both capital flight control and general economic management reasons suggest the need for separate Namibian financial institutions (territorial branches of non-RSA firms if private) which will prove harder to achieve because of personnel and knowledge constraints.

On balance a very substantial reduction in dependence on the Republic can be achieved within five years of independence. In large part this would be the result of a more diversified set of international relationships, but some of the changes would represent direct substitution of Namibian personnel, resources and institutions for South Africa. The danger is of South African (public and/or private) withdrawal before workable alternatives are in place which would, in a sense, speed dependence reduction but at the cost of severe interim dislocations.

#### Southern African Development Coordination

South Africa's attempts to float an economic 'constellation' of dependent African states to provide room for economic expansion and a cordon sanitaire against external pressure seem to have failed. No independent African state has responded positively and the appearance of Prime Minister Muzorewa - has knocked out the key star.<sup>26</sup> New efforts to refloat the

same scheme with an overtly private sector content have begun<sup>27</sup> but seem unlikely to be more than very partially successful from a South African state point of view.

The Southern African Development Coordination Grouping - which grew out of the Front Line States' experience that economic dependence on the Republic hampered the pursuit of regional political liberation and of national economic developments - affords a number of opportunities for collective self reliance to Namibia. The nine members (Angola and Tanzania through Zimbabwe and Lesotho) have specifically listed support for liberation movements in training and pre-planning in the Lusaka Declaration<sup>28</sup> and provided for their associate status in the Southern African Transport and Communications Commission. Namibia's accession on independence is seen both by SADCC and SWAPO as virtually certain.

SADCC is a very new grouping - its first pre-founding Ministerial Conference was in May 1979, its founding Declaration in April 1980<sup>29</sup> and its first conference with potential co-operating states and institutions ( at which \$650 million was pledged<sup>30</sup>) in November 1980. However it has a clear strategy based on practical sector by sector cooperation to: reduce dependence especially on the Republic of South Africa, create operational and equitable regional integration, mobilize resources (domestic and external) to achieve regional coordination and to secure international understanding of and co-operation with the strategy (i.e. treating Southern Africa as an entity in its own right not as an appendage of South Africa<sup>31</sup>).

The areas which have advanced furthest are Transport and Communications<sup>32</sup> and Agrarian (foot and mouth, and the livestock diseases, soil conservation and land use planning, semi-arid agricultural research, food security<sup>33</sup>). In both concrete projects are likely to exist by the end of 1981. Industrial development, human resources (manpower) development, regional financial mechanisms, energy and security printing are other areas in which explorations toward joint action are proceeding<sup>34</sup>. For a country as small - and as near a strong ex-colonial power - as Namibia, the concrete technical/economic and the solidarity attractions of the SADCC approach are strong.

The most important links are likely to be with Botswana and Angola. In the case of Botswana they turn on the Trans Kalahari Railroad and an Okavango Waters Agreement (also involving Angola). The latter is critical to fuller Okavango Valley development in Namibia and to allowing Botswana to develop its main arable potential and water source - the interior delta of the Okavango.

The Botnam is critical to integrating Botswana's north and west (agriculture, cattle, several secondary mineral deposits) into the present north-south axis. It could be viable on the basis of Botswana coal exports and a reorientation of existing external trade routes plus providing Zimbabwe with access to an Atlantic port.<sup>35</sup> For Namibia it would provide a better link to its own coasts, a direct tie to a neighbour, some transit revenues and opportunities for broader coordination (e.g. in railroad maintenance and personnel training). The Botnam is not in practice an alternative to a new heavy duty line to Maputo since that line could not integrate Botswana and would be optimal for Far Eastern oriented coal (and soda ash) shipments but not for those destined for Europe.<sup>36</sup>

Certain joint ventures - e.g., in petroleum refining and cement - may prove attractive to Botswana and Namibia. If Namibia's coal proves to be low grade or expensive to mine, Botswana is a logical supplier. Namibian exports to Botswana - of fish and dairy products - while very much secondary need not be insignificant. In addition agrarian concerns and sitings are similar enough to suggest the value of technical research and training coordination and exchange.

In the short term Angolan links may be more critical. This will be especially true if South Africa seeks to hold on to Walvis Bay in which case access to Puerto Alexandre and Mocamedes becomes critical. Angola has plans for a central north-south rail link connecting with the Namibian system at Tsumeb. Namibia might find Angola at least an interim source for petroleum products and a market for meat.

Zimbabwe's economy is of interest to Namibia as an alternative import source to South Africa and as a potentially significant market for fish and fish meal. While Zambia is a neighbour

immediate links may be limited as her logical Atlantic port is Lobito and the scope for trade may not be great.

Certainly SADC links will never be comparable to those now existing with South Africa. However, they could over a decade be of value in reducing dependence on the Republic and come to be significant in themselves and as long as (or longer than) residual RSA ties.

### The Unforgiving Land

Namibia is a territory and will be a state subject to a series of rigid constraints which can be broken only at a high cost. Ecology, technology, geo-politics and history are for Namibia neither malleable nor forgiving.

Desert encroachment is a present reality and - under conditions of breakdown in the large scale ranching sector - could have results as dramatic as those caused by reckless over-fishing. With one difference - desertification would be largely irreversible. Only in the extreme North and East and in a few small pockets elsewhere is there a significant margin for error (or bad luck) in the rural sector. Namibia's ecology is such that misuse leads to short run loss of output and longer term destruction of the potential to produce.

Technology is not much more malleable. The retreat to subsistence, which has limited the worst effects of modern sector dislocation elsewhere, is not open to Namibia. Modern production or starvation are the alternatives in most of the country.

This is particularly true of mining. Almost half of Namibia's production, exports and surplus are derived from seven mines, a smelter and a uranium oxide concentration plant. Failure to understand, maintain and operate this technology properly will be disastrous. The price will not merely be financial - mining accidents kill. This technological constraint is compounded by the fact that grave doubts exist as to the adequacy in terms of worker health and environmental impact of the underground mining and processing procedures at Rossing.<sup>38</sup>

The ranching economy - while technically less complex than mining - is neither simple nor self-contained. It depends on vehicles and boreholes, sophisticated land use planning<sup>39</sup> and complex service and marketing systems. Further, because production neither is - nor in many parts of rural Namibia can be - directed to rural consumption, as opposed to export, transportation is necessary to realise the value of production and to secure food to eat.

The Windhoek urban water system is an example of the constraints imposed by existing urban technology. A quarter of water deli-

veries are purified and recycled sewage. To take that source out of use would precipitate a severe water shortage (parallel to the post independence population increase). To operate it without proper technical competence and servicing would practically guarantee a cholera epidemic.

Namibia's location and most valuable resource are sources of problems as well as opportunities. With Namibia's independence the Orange River becomes a front line of the South African liberation struggle. On the Namibian side of the estuary, the Orangemund diamond complex is literally in range of South African guns at Port Alexander. Granted that neither Rhodesia nor South Africa has found cross border raids to be of much use in bolstering internal security for any length of time, Namibia's proximity to South Africa combined with its commitment to liberation will entail costs. They may not be as high as is sometimes supposed because the strategy of the South African liberation movements (and the Front Line States) does not turn on transborder based guerilla action starting at the peripheries of South Africa. Rather the vision is of urban and peri-urban strikes, demonstrations and risings eroding confidence, sapping output and stretching military and police forces ever thinner.<sup>40</sup> Under such a scenario, raids across the Orange (or Limpopo or Pongola) would become an expensive and irrelevant luxury for RSA.

Uranium is not a normal product. While internationally traded, oxide is not in a form directly useable for any purpose and 99% of it is destined for power production, major oxide producers do attract the eye of official as well as amateur strategists and security services. How real a constraint this proves to be depends on how well understood SWAPO's position that uranium oxide is a key national resource to be exploited and marketed like any other mineral - i.e., commercially, at the best attainable price - is understood. It implies a commercial technical management and term contracts with power companies or their procurement agents - hardly a prospect logically troubling any state's security planners.<sup>41</sup>

Namibia's history of the past century is unforgiving as well. It is a virtually unrelieved record of theft and violence, blood and iron - African blood shed by European iron. That

history does not necessarily require a total exodus of Europeans nor guarantee a xenophobic new society. SWAPO and many Namibians are non-racist in word and spirit. But what actually happens at independence is problematic. A mass European exodus based on fear (however unfounded) and accompanied by sabotage could both cripple the economy and create xenophobia. Similarly the difference between reversal of land theft and action on the 1971 World Court ruling that post 1966 mines constitute fraud or theft, not privage property, and generalised confiscation of European assets may be much clearer to Namibians than to external observers, let alone Europeans and foreign firms in Namibia.

How severely past history does in fact constrain the first years of independent Namibia depends very much on the duration and nature of the present final chapter of transition to independence.

#### "Waiting for SWAPO"

Namibia is a country in waiting - waiting for SWAPO... One of the most consistent trends I found in speaking to a wide range of Namibians representing all shades of the motley political and economic spectrum was an acceptance - sometimes eagerly expectant sometimes resigned and fearful - that a SWAPO government is on the way.<sup>42</sup>

That quotation is not from an independent African or even a European social democratic newspaper but from the Johannesburg press. Nor is it atypical of the direction and present resting point of informed South African opinion. Two other recent headlines<sup>43</sup> are: "Pretoria's choice: SWAPO or sanctions" and "SWA's choices narrow down."

Nor is it only the English speaking press and the business community that can see the handwriting on the wall. It is two years since Foreign Minister Pik Botha admitted:<sup>44</sup> "The people of the Territory will have to get independence sooner or later. The political momentum has been set in motion."

In Namibia itself the perception of an inevitable transition to a SWAPO government within five years is even stronger.<sup>45</sup>

Indeed at least the English language press now treats the return of Sam Nujoma as President as a fait accompli.<sup>46</sup>



This shift in outlook has been emerging for several years. However, it has accelerated sharply since 1979 for two reasons:

1. the war in Namibia is going badly for South Africa. The parallels with Zimbabwe of - say - 1977 are increasingly evident and the willingness to play out a lost cause increasingly dwindling - at least among those most directly affected;
2. the ZANU-PF electoral victory in Zimbabwe has dashed hopes of installing a safe 'white government with black faces'. If Bishop Muzorewa who originally had genuine nationalist credentials proved a broken reed, who can believe the much more tawdry puppets in the Dirk Mudge entourage would make any showing in a free and fair election? If an internationally observed election contested by the Liberation Movement so totally reversed the 'verdict' of an 'internal settlement' poll, who can suppose any South African run election in Namibia would carry the least international credibility?

At first glance this pattern and trend of perception suggests a relatively speedy and orderly transition via a UN supervised election. However, that is an oversimplification of a more complex reality.

South Africa has for years been playing for time in Namibia. Partly because continued occupation was profitable, partly to devise a loss limiting formula for withdrawal. While the gains have shrunk and the options narrowed the tactics and goals remain unchanged. South Africa's sudden enthusiasm for 'direct talks' with SWAPO late in 1980 fits squarely in this model:

1. if SWAPO declines to talk with a basically DTA delegation, RSA may be able to blur its own image of intransigence and negotiation in bad faith;
2. if SWAPO does negotiate with DTA, RSA both retains a second chance to approve or disapprove the outcome and may be able to transfer the domestic political opprobrium for the 'loss of Namibia' from the Botha government to the DTA;

3. if SWAPO-RSA negotiations can be shifted from modalities for electing a constitutional assembly to parameters of a constitution, certain key South African interests might be safeguarded (on the Lancaster House model).

Except for the last, these points are RSA concerns - not those of European residents or firms in Namibia. Many of them are as cynical and bitter about South Africa's tactics as SWAPO. But they too have an unrealistic wish for a painless transition to independence ensuring retention of their own privileges. Anglo American's 'man in Namibia', Douglas Hoffe of Consolidated Diamond Mines is not atypical in saying:<sup>47</sup>

Both sides would have to make major compromises in their political philosophies and reach a compromise constitution which would be administered by a coalition formed by the colonial power and SWAPO. I know it's wishful thinking but by God I wish it.

Under the circumstances the headline 'Cynics hold sway over hope of success for multi-party talks'<sup>48</sup> is only too accurate both as a description of South African and Namibian views and as an evaluation of the short term outlook for negotiations, not simply of the 1981 Geneva Namibia talks pre-torpedoed by Piet Botha as part of the stage setting for his 1981 election campaign.

#### Foci or Flash Points?

There are four elements in the transition to independence and its immediate aftermath which could alter SWAPO's present strategy and tactics in the directions of greater speed, lesser flexibility and increased harshness in respect to internal and external doubters, neutrals and apparent opponents. These concern the process and timing of independence, the status of Walvis Bay, the settler response to independence and the external reaction to steps taken in respect to the three (four counting Superior Oils' Etosha Pan operation) post 1966 mines.

In respect to process and timing the general principle is that the longer the delay, the greater the escalation in military action, the more the attempts to limit the freedom of the

electorate (e.g. by a pre-baked constitution to be presented to the Assembly) the poorer will be the basis for an orderly, relatively tolerant and gradual transition. Apparently rigid limits - e.g., to protect property "rights" - set by constitutional clauses are likely in practice to build up pressures in a way leading to an explosion not to resolve underlying problems.

Similarly South African trick or trap proposals engender deep suspicion and ill will which bode ill for subsequent actual negotiations. To propose to include representatives of the UNITA "forces" in Namibia (paid, uniformed, equipped, officered by RSA) in talks is either a joke in very poor taste or a deliberate attempt to prevent talks. To create a "separate" South West Territorial Force supposedly not subject to regulation of external forces during elections when its personnel remain on the RSA roster and its command structure is an integral part of the overall RSA forces is to plant a booby trap to be exploded at will.<sup>49</sup>

Walvis Bay is Namibia's main port and has been an integral part of the Territory for over sixty years even if South Africa inherited it from the UK rather than conquering it from Germany. For SWAPO to govern Namibia with its external trade passing through a South African enclave is not practicable for more than a very brief period.

If South Africa seeks to hang on to Walvis Bay SWAPO contemplates four lines of response:

1. appealing to the international community via the United Nations and International Court of Justice;
2. reactivating Swakopmund (the main German port and once able to handle 8,000 ton vessels) by use of artificial breakwaters, lighters, dredging and jetty repairs;
3. establishing road - and later rail - links to the southern Angolan port of Macamedes and perhaps (depending on the problems of equipping it) Puerto Alexandre;
4. seeking external assistance to construct one of the artificial ports to the north of Walvis Bay (e.g., Hentiesbaai, Cape Cross) for which South African studies already exist.

The last response illustrates the self defeating nature of South African perceptions. South Africa fears a foreign naval presence at Walvis Bay and hopes a lock on external trade would "moderate SWAPO". The reality is rather different. SWAPO has no present intent to allow bases of any foreign state. However if the price of securing construction of an artificial harbour to replace a South African occupied Walvis Bay included providing naval base facilities, it would be difficult for any nationalist Namibian to refuse.

Settler responses are complex and unpredictable - especially in the short run. When in 1978 a UN election briefly seemed imminent, 3,000 odd ranchers (mostly of German ancestry) applied for SWAPO membership. In fact the "optimal" rancher response would probably be one in which half wished to transfer their operations in return for compensation as to herds, equipment, buildings plus one year "advisory" contracts with the remainder taking the same decision over a five year period. The worst scenarios would be 100% cut and run (complete with asset stripping and sabotage as seen in Angola and Mozambique) or if 90% decided to "die on their land" and had to be forced off. Neither an instant takeover (for production reasons) nor absence of a substantial, early start to land recovery (for political credibility reasons as well as the need to get land into African hands to set rural reconstruction in train) is desirable.

Civil servants' decisions pose comparable problems. Many are unacceptable, a new set of senior officials (whether citizen or SWAPO chosen expatriates) are needed. But the basic technical personnel are needed until Namibians can be trained and/or new expatriates recruited.

Company personnel and small businessmen are more likely to stay - at least for a time. That is necessary to keep production going and to provide basic amenities for the remaining Europeans and new expatriates more generally. SWAPO makes a distinction between pro and post 1966 mines. Rossing, Oamites, Otjihase and Etosha fall in the latter category. While in pre-1966 cases SWAPO appears to consider joint ventures and regulation as practicable options, its stand on the post 1966 ones has hardened since the failure of late 1970's attempts

to negotiate with RTZ. <sup>51</sup> The technical problems of securing new managements and marketing channels are not insuperable. The problems turn on overseas reaction.

Certain Rossing customers - notably in Germany - seem to view action against RTZ as threats to themselves. <sup>52</sup> This appears somewhat unwise - access to uranium oxide for power supplies <sup>53</sup> and security of contractual arrangements arrived at equitably and legally are of concern to them but it is less clear why RTZ operation or a so called mining right which the ICJ has found invalid on standard bourgeois legal principles should be. But if the reaction to SWAPO action in respect to post 1966 mines is attempted isolation or destabilisation, SWAPO will be forced to reassess its economic strategy and pattern of internal economic relations. It would be unlikely to do so from the view-point of seeking "accommodation".

#### Conclusion

A checklist of probabilities in respect to Namibia and to SWAPO has become clearer in 1980:

1. Namibia will be independent before 1985 and the independence government will be formed by SWAPO;
2. SWAPO is committed to substantial and rapid social and political economic transformation of a type which can reasonably be described as "transition to socialism";
3. In respect to timing, tactics and sequences SWAPO's political economic programme includes substantial elements of flexibility and of adjustment to perceived constraints;
4. In principle SWAPO's political economic programme is implementable;
5. Reduction of dependence on the Republic of South Africa would be both practicable and economically desirable for an independent Namibia and could include significant Southern African regional aspects;
6. The constraints on change, and on failure to change, in Namibia are numerous and severe. In the context of a delayed transition, destabilisation by South Africa or other

external states or economic breakdown they could become unmanageable and result in a much harsher, simpler and (probably) less successful political economic programme than now envisaged by SWAPO.

## ANNEXE

### Priorities for Year One: A Checklist

The immediate requirements of Namibia on independence will exceed available resources: human, knowledge, institutional, physical and financial. This will be especially true if South Africa pulls out its personnel, settlers and portable assets to achieve an initial destabilisation and/or if major private sector interests do the same.

There will be an overriding need to establish priorities and sequences. What is desirable but not essential or essential but not immediately critical will have to be postponed if energy, attention and resources are to be adequate to accomplish what is both critical and urgent.

The following checklist is the author's - not SWAPO's. However, from discussions with SWAPO cadres and from their participation in international meetings and seminars it would appear that most - perhaps all - of the items do figure on their shortlists and are in many cases perceived in relatively similar terms.

- Keeping mineral production going - notably in diamonds, uranium, and the main copper-lead-zinc mines. This is the backbone of government revenue, export earnings and investable surplus. Its output is readily saleable - and for diamonds and uranium oxide readily exportable by air. The mineral TNCs are used to being forced to renegotiate historic unequal contracts. There are alternative operators to be had if existing companies will not accept reasonable new arrangements.
- Ranching is the heart of rural production. Together with mining, it is critical to employment. It is likely to be hit by cattle exodus or killing - unless perhaps SWAPO pub-

licly agrees to pay market value for cattle and created assets which are turned over in good order, and to prosecute for sabotage. If the industry is in reasonable working order, it will face marketing problems; more packing facilities (or possibly cattle boats to the Middle East) and new markets will be needed.

- It is only too evident that the fishing fleet will be in Table Bay, not Walvis Bay, on the day the latter becomes Namibian. To save jobs in the processing industry, contract fishing, training for skippers, boat building (abroad and at the Walvis Bay base) are urgent necessities. So are conservation measures inshore and to a 200 mile limit to allow restoration of fish stocks (see above).
- Additions to basic services will be required. An acceptable national language (presumably English) must be taught. Adult education - especially rough and ready gap filling and upgrading courses - must have top priority so that the number of expatriates can be rapidly reduced from 36,500 to 15,000. The ground must be laid for radical expansion of the educational system. Health services - especially vaccination, health education, preventive medicine, first aid - must be made available nationally; these will build on the experience of Zamiba and Angola and 'semi-liberated' area clinics and first aid teams.

With the end of contract labour, 100,000 families will seek to be re-united at places of work. Most will wish to move rapidly. The urban layout and services as well as the construction (even on an artisanal plus communal basis) of say the first quarter of the homes needed during the first year is a minimum requirement to retain credibility and to avoid the instant creation of permanent urban slums to replace the prison compound and shack pattern.

- Personnel must be mobilised more vigorously and allocated more carefully than any other resource. Every Namibian with a special skill is a scarce asset. Namibians must hold and be seen to hold power. Not to do so would render land reform unacceptable no matter how technically desirable it might be as a first step. Use of expert technical support teams,

each servicing a score of ranches with Namibian production level management, might be feasible. But expatriates in a wide range of positions will be needed and will have to be identified, recruited, supervised - and promptly fired if unsuitable.

- Income distribution will pose problems. African wages and salaries must be raised, but not to present European levels (which Namibia could not afford). Because separate scales by race must be ended - a different thing from separate scales for expatriates - a dilemma will exist in respect of would-be citizens of European ancestry. It will be necessary to raise agricultural incomes (by redistribution in ranching and by initial measures to raise productivity and prices for field crops) to avert a wholesale rural exodus and to avoid a huge urban/rural income gap.
- The public sector will need to be large, quick on its feet and business-like. It must be dominant in finance (beginning with a central bank) and external trade (beginning with marketing, ranching and fishing products and organising critical imports). It will also need to encompass ex-South African statal/parastatal production units and any other key enterprises whose ex-owners have been expelled or who have abandoned them (including probably at least one of the major post-1966 mines). All this will require the creation of Namibian controlled institutions, even if these have to be staffed initially by expatriate technical agents.



## NOTES

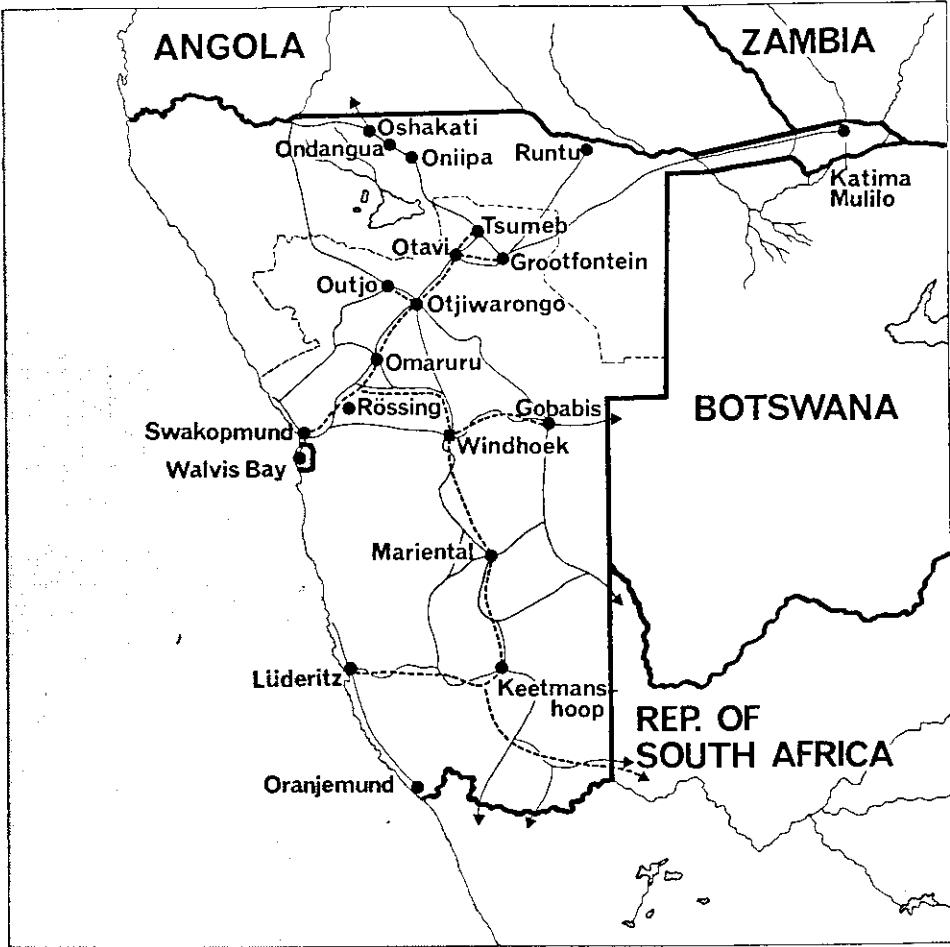
1. The analysis and views expressed are the personal responsibility of the author. They are not necessarily those of SWAPO, the United Nations Institute for Namibia or Southern African Development Coordination to whom he has served as adviser or consultant.
2. Union of South Africa, House of Assembly Debates, 1947, Col. 5557, Government Printer, Pretoria.
3. Told to author by the Namibian.
4. In 1971 a general strike against the term contract, single channel recruitment, compound residence system swept Namibia. While broken it left a distinctly higher level of political bitterness and consciousness.
5. Lusaka 1976.
6. 'Interview' in R.H. Green, M.L. and K.Kiljunen: Namibia: The Last Colony, Longman, London, 1981.
7. Ibid: 11-14
8. Discussions with directly involved SWAPO personnel and fragmentary accounts from visitors.
9. For more detailed statistical estimates and political economic description see R.H. Green: Namibia: A Political Economic Survey, Discussion Paper 144, Institute of Development Studies, Sussex, 1979; W.S. Barthold: Namibia's Economic Potential and Existing Economic Ties with the Republic of South Africa, German Development Institute, Berlin, 1978; W.H. Thomas: Economic Development in Namibia: Towards Acceptable Development Strategies for Independent Namibia, Kaiser/Grünewald, Munich/Mainz, 1978.
10. See W.G. Clarence-Smith and R. Moorsom: 'Underdevelopment and Class Formation in Ovambo-land, 1845-1915', Journal of African History, XVI, 3(1975); U. Al-nagar: 'African Initiative in Namibia in the Pre-Colonial Period' (International Conference on Southern African History), University of Lesotho, Roma, August 1977).
11. See H. Bley: South West Africa under German Rule, Heinemann, London, 1971, Republic of South Africa: Report of the Commission of Enquiry into South West African Affairs, 1962-1963, Odendaal Report; Government Printer, Pretoria 1963, Department of Foreign Affairs: South West Africa Survey 1967 and 1974, Government Printer, Pretoria, 1967 and 1974; R. First and R. Segal (editors), South West Africa, Travesty of Trust, Deutsch, London, 1967; R.H. Green and K. Kiljunen, "Unto What End: The Crisis of Colonialism in Namibia" and M.L. Kiljunen, "The Land and its People" in Namibia: The Last Colony, op cit.

12. See G. and S. Cronje: The Workers of Namibia, International Defence and Aid Fund, London, 1979; R. Moorsom: 'Underdevelopment, Contract Labour and Workers' Consciousness in Namibia 1915-72', Journal of Southern African Studies (October 1977); 'Focus on Namibia', South African Labour Bulletin, Vol. 4, 1-2 (January-February 1978); R. Voipio "Contract Work as seen through Ovambo Eyes", in Namibia: The Last Colony, op cit; UNIN, Manpower Estimates and Development Implications for Namibia, R.H. Green, Consultant, Namibia Studies Series No. 1, Lusaka, 1978.
13. The Financial Times of 17-ix-80 in an article on the Namibia budget uses a R1,300 (\$1,725) million figure. Divergences of up to 10% are likely because authenticated, detailed statistics are not available.
14. The South African estimate of 1.0 million is too low. See Manpower Estimates, op cit, pp 7-15 for a fuller discussion.
15. Additional abattoir capacity is - apparently - about to be built. (Windhoek Advertiser, 17-ix-80).
16. For more detailed discussion see Africa Contemporary Record, 1977-78, 1978-79, 1979-80, "Namibia", Africana, London.
17. For a more detailed breakdown of the secondary and tertiary sectors see R.H. Green, Namibia: A Political Economic Survey, op cit.
18. Windhoek Advertiser (19 May 1978; University of Port Elizabeth Study).
19. See United Nations Institute for Namibia: Manpower Estimates and Development Implications for Namibia, op cit, esp. Ch. 3, 4.
20. R. Murray, J. Morris, J. Dugard, N. Rubin: The Role of Foreign Firms in Namibia, Africana Publications Trust, London, 1974; Commonwealth Secretariat: The Mineral Industry of Namibia: Perspectives for Independence, R. Murray, Consultant; London, 1978.
21. 'Discussion Paper on the Constitution of Independent Namibia, 1975', reprinted in U. Lissner: Namibia 1975: Hope, Fear and Ambiguity, Lutheran World Federation, Geneva, 1976; Political Programme of SWAPO, Lusaka, 1976; 'SWAPO Political Programme' Lusaka, 1976.
22. Cf. Cronje and Cronje: The Workers of Namibia, especially Chapter VII, Appendix B; 'Focus on Namibia'.
23. See C. Collins: 'SWAPO's Images of a Future Society: Women in Namibia', Issue, VII-4 (Winter 1977). Also draws on two 1979 presentations by, and discussions with, Martha Ford, SWAPO Women's Secretary.

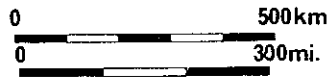
24. SADD, Lusaka, April 1, 1980 - "Lusaka Declaration".
25. Detailed in C. Nixon "Land Use and Development in Namibia", (mimeo), 1978; S. Mshonga, Toward Agrarian Reform, Namibia Studies No. 3, UNIN, Lusaka, 1979.
26. See D. Geldenhuys and D. Venter, "Regional Cooperation in Southern Africa: A Constellation of States", International Affairs Bulletin, South African Institute of International Relations, December 1979; R.H. Green, "Constellation, Association, Liberation: The Struggle for Southern African Development Coordination", ACR, 1979-80, op cit.
27. E.g. a December 1980 seminar at the Royal Swazi Spa for world businessmen organised by Business International SA and featuring a bevy of South African quasi-private, (possibly ongoing Muldergate project financed) consultancy, trade and academic bodies.
28. op cit.
29. See SADCC, Southern African Development Coordination - Toward Economic Liberation, Rex Collings, London, 1981.
30. "Communique", SADCC-Z, Conferenciado Maputo, 28-xii-80.
31. See Southern Africa Toward Economic Liberation - A Strategy Paper, SADCC, 1980.
32. SADCC-2, Transport and Communications Projects, SATCC. 1980.
33. SADCC-2, Southern Africa: Regional Fund Security, SADD, 1980.
34. SADCC-2, Report of (Salisbury) Ministerial Meeting, SADCC, 1980.
35. See R.H. Green, "Economic Coordination, Liberation and Development: Botswana/Namibia Perspectives" in C. Harvey, The Economy of Botswana, Heinemann, London, 1981; "Armageddon: Maputo and Walvis Bay Race for Botswana Coal Exports." Windhoek Advertiser, 24-x-80.
36. As Zimbabwe needs a heavy duty line from Bulawayo to Maputo, a link from the Botswana coalfield to Maputo by strengthening the existing line to Bulawayo may be a desirable interim measure (the Botnam's earliest completion date is circa 1988) and a subsequent complement.
37. In Karakul South Africa via the growers' co-op has thwarted Botswana entering the industry by an artificial longitude restriction on pelts. Namibia (the world's dominant karakul producer) might reverse that decision after independence.
38. See reports on UN Council for Namibia 1980 uranium hearings, e.g., Rand Daily Mail, 5 and 12-vii-80; Guardian 11-vii-80; Information and Comments, Vol. 2, No. 5, July 1980, SWAPO.

39. See sources cited at note 25.
40. If the 1980 riots had all taken place at one time, then the military and police forces available to control them would have been numerically inadequate without withdrawing forces from Namibia or using different and more sanguinary tactics.
41. For capacity capable of producing power - or a fortiori weapon - grade enriched uranium different considerations apply. However, it is neither technically nor economically feasible for Namibia to go beyond the present yellowcake stage in the foreseeable future.
42. Sunday Express, 30-xi-80.
43. RDM, 9 and 20-x-80.
44. Quoted in, Windhoek Advertiser, 8-vi-79.
45. Express, loc cit.
46. See e.g. Advertiser article cited at note 35.
47. Express loc cit.
48. ibid.
49. See Windhoek Advertiser, 4 and 27-vii-80; To the Point, 15-viii-80.
50. Cf Theo Ben Gurirab (SWAPO UN Representative) "Statement at Uranium Hearings, July 7, 1980" in Information and Comments, op cit.
51. SWAPO sought a public statement by RTZ accepting the illegality of the existing contracts and immediate negotiations on new ones; RTZ sought a private commitment by SWAPO to allow Rossing (at least so far as RTZ's involvement went) to continue basically unchanged after independence.
52. Position conveyed to SWAPO participants at international seminars and meetings.
53. SWAPO statements at the Uranium Hearings and elsewhere do suggest it would decline to honour "sweetheart contracts" entered into by RTZ. They do not indicate any intent to halt production or to decline to enter into term contracts subject to acceptable price formulas.

# NAMIBIA

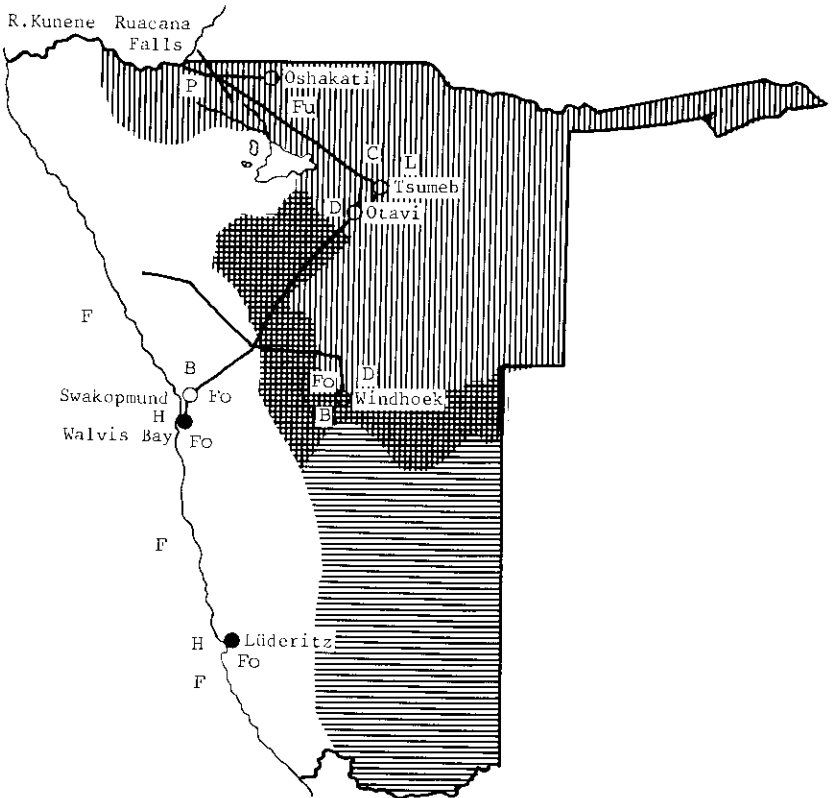


- Capital
- Town
- Railway
- - - Boundary of the Police Zone
- Road



Map 2

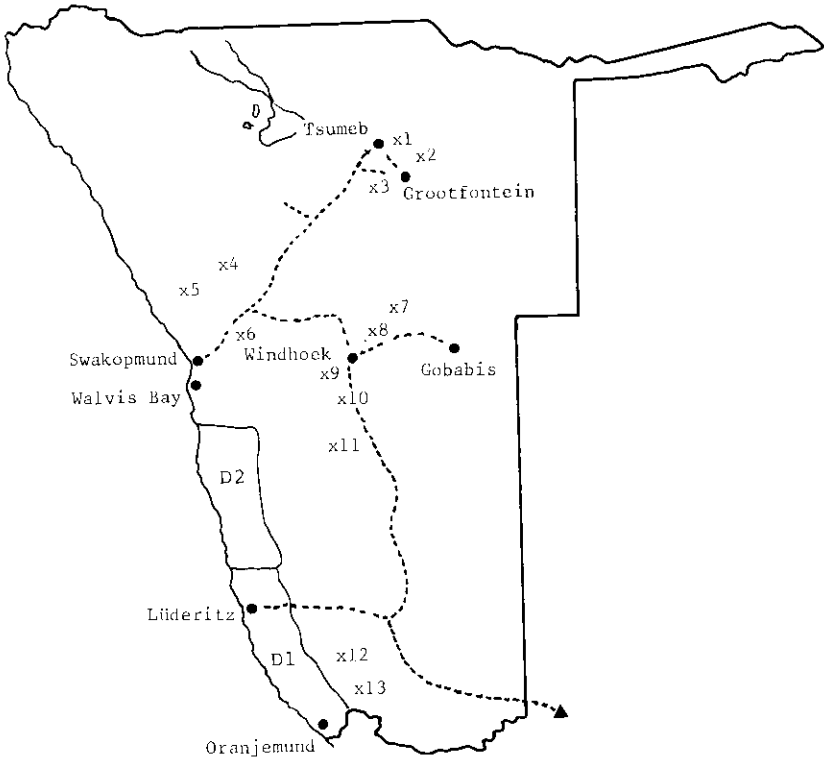
ECONOMY



- |    |                   |       |                 |
|----|-------------------|-------|-----------------|
| Fo | food industry     | F     | fishing         |
| Fu | furniture factory | P     | power station   |
| C  | copper smelter    | H     | harbour         |
| L  | lead smelter      | — / — | power line      |
| D  | dairy production  |       | cattle          |
| B  | breweries         | ====  | sheep and goats |

Map 3

## MINES



- |   |            |    |                |
|---|------------|----|----------------|
| 1 | Tsumeb     | 9  | Matchless      |
| 2 | Berg Aukas | 10 | Oamites        |
| 3 | Kombat     | 11 | Klein Aukas    |
| 4 | Uis        | 12 | Rosh Pinah     |
| 5 | Brandberg  | 13 | Loreley        |
| 6 | Rössing    |    |                |
| 7 | Onganja    | D1 | Diamond Area 1 |
| 8 | Otjihase   | D2 | Diamond Area 2 |

TABLE 1  
NAMIBIA: Summary Data

Area:	824,269 sq.km.	Population:	(1977) 1,250,000
Density:	1.6 per sq.km.		(1979) 1,325,000
Official Language:	Afrikaans (RSA) English (SWAPO)	Population Growth:	3%
Currency:	Rand	Capital:	Windhoek (pop. 175-200,000)
		Measures:	Metric System
<u>Economic Statistics (1977-79)</u>			
		1977	1979
Gross Domestic Product		R1,135 million	R1,425 million
GDP per capita		R 980	R1,075
Gross National Product		R 710 million	R 950 million
Personal Income per Capita		African R 125 European R3,000	R 160 R3,200
Exports		R 700 million	R1,000 million
Imports		R 450 million	R 700 million
<u>Main Exports</u>			
	1977	1979	
Diamonds	40%	47%	
Uranium Oxide	14%	27%	
Base Metals	19%	10%	
Karakul	9%	6.5%	
Beef/Cattle	9%	6%	
Fish Products	9%	3%	
<u>Structure of Production</u>			
		1977	1979
Ranching		11%	9%
Other Agriculture		3%	2%
Fishing		3.5%	2%
Mining		33%	47%
Fish, Meat Processing		3.5%	2.5%
Other Industry		4%	3.5%
Construction		5%	4%
Services		35%	29%
<u>Public Finance</u>			
		1977-78	1978-79
Revenue		R186.8 million	R356 million
Recurrent Expenditure		R140.0 million	R215 million
Capita Expenditure		R115.0 million	R140 million
		R 68.2 million	R -1.0 million

Note: The data in this and the following tables are derived from R.H. Green: Namibia: A Political Economic Survey (Institute of Development Studies, Sussex; Discussion Paper No. 144, September 1979). More detailed data, sources and methodological notes can be found in Tables 1-32 of that paper, and in "Statistical Annexe", R.H. Green, K. Kiljunen, M.L. Kiljunen, Namibia: The Last Colony, Longman, London, 1981.



TABLE 2  
1977 TERRITORIAL ACCOUNTS

A

Namibian Gross Domestic Product - 1977, 1979, "1985-86"

Sector	1977		1979		"1985-86" <sup>4</sup>	
	Value added	%	Value added	%	Value added	%
Agriculture	157.5	13.9	162.5	11	140	8
Peasant Household Use <sup>1</sup>	20		22,5		40	
Commercial	137.5		140		100	
Forestry	2	0.2	2,5	0.2	2.5	0.2
Fishing	40,5	3.5	30	2	42.5	2.5
Mining <sup>2</sup>	375	33,2	655	47	850	50
Primary Sector	575	50.7	850	60	1035	61
Manufacturing	85	7.5	80	6	105	6
Food Processing	50	4.4	40	3	45	2.6
Other Large Scale	25	2.2	30	2.2	45	2.6
Small Scale	10	0.9	10	0.8	15	0.9
Construction	60	5.3			90	5
Electricity/Water	15	1.3			20	1
Secondary Sector	160	14.1	150	11	215	13
Transport/Communication/Storage	60	5.3	65	4	75	4.5
Trade	110	9.7	110	8	90	5
Accommodation	25	2.2	30	2	25	1
Financial Services	85	7.5	90	6	75	4.5
Social and Personal Services	50	4.4	55	4	35	2
Domestic Service	15	1.3	15	1.1		
Other	35	3.1	40	2.9		
General Government	70	6.2	75	5	150	9
Tertiary Sector	400	35.2	425	29	450	27
Gross Domestic Product	1135	100.0	1425 <sup>5</sup>	100	1700 <sup>5</sup>	100

## NOTES

1. Food produced and consumed in the same household unit. Estimated at R100 times 200,000 households with some food production. Implies physical output per 'subsistence sector' household about one-half Tanzanian level.
2. Computed at about 80% of export value.
3. Excludes public enterprises and value added in government construction. Basically Recurrent Budget wages and salaries (R55-65 million in 1977).
4. '1985-86' proxy for fifth year of Independence.
5. 1978 prices.

TABLE 2

B

Distribution of Gross Domestic Product (R 000,000)

	<u>1977</u>	%	<u>1979</u>	%	<u>"1985-86"</u>	%
Household Production						
For own use	25	2	25	2	50	3
Wages and Salaries	310	28	390	28	750	44
Africans/"Coloureds" <sup>1</sup>	105	(9)	(130)	(9)	(500)	(29)
European <sup>2</sup>	210	(18.5)	(260)	(18)	(250)	(14)
Surpluses of Production Units	620	55	810	56	500	29
African - Private	(15)	(1)	(20)	(1)	(40)	(2)
African - State	(NA)	(-)	(NA)	(-)	(225)	(13)
Small European <sup>3</sup>	(105)	(9)	(90)	(6)	(25)	(1)
Large European	(500)	(44)	(700)	(49)	(210)	(12)
Taxes on Proprietors <sup>4</sup>	175	15	200	14	400	24

## NOTES

1. Estimated at R200 per employee in Domestic Service; R250 large Agriculture; R400 Construction; F500 Fishing and other; R600 Government, Transport and Communication, Commerce, Finance; R1,000 Mining, Manufacturing, Water and Electricity. Includes payments in kind and provident funds.
2. Estimated at 30,000 times R7,000 average. Includes pensions, social security, fringe benefits.
3. Estimated 10,500 business at average surplus of R10,000. Includes individual proprietors, normal partnerships, companies with surplus of R50,000 or less.
4. Minerals taxes, company tax, income tax on business undertakings but not income tax on wages/salaries or consumption taxes.

TABLE 2

C

	1977 Total	Per Capita (Rand)	1979 Total	Per Capita (Rand)	"1985-86" Total	Per Capita (Rand)
Personal Income (R000,000)	145	126	195	160	590	407
African/"Coloured"						
Household Production	25	22	25	21	50	34
Wages	130	91	130	123	500	345
Other	20	13	20	16	40	28
European	315	2975	350	3200	275	5500
Wages/Salaries	210	1983	260	2378	250	5000
Production Unit Surpluses (excluding corporate profits)	105	992	90	822	25	500

D

	1977	1979	"1985-86"
Gross National Product (Remittance Basis) (R000,000)	1977	1979	1700
GDP	1135	1425	1700 (100%)
Remittances	-425	-475	-125 (7%)
European Wages/Salaries (25%)	(-52.5)	(-57.5)	(-50)
Small Enterprise Surplus (25%)	(-32.5)	(-22.5)	(-10)
Large Enterprise	(-300)	(-320)	(-65)
State - Recurrent Account	(-60)	(-100)	(Negli.)
State Enterprises	(+20)	(+25)	-
Gross National Product	710	950	1575 (93%)

TABLE 3

## NAMBIAN VISIBLE EXPORTS

1966 - "1985-86" (R000,000)

	1966	%	1970	%	1973	%	1977	%	1979	%	"1985-86" <sup>10</sup>	%
Agricultural Products	32.6	15.6	49	20.9	93	26.6	130	20/18	130	13	70 <sup>9</sup>	6
Karakul Pelts	15.9	7.6	25	10.7	50	13.6	60-65	10	65	6.5	40	3
Wool	( )	( )	( )	( )	( )	( )	2-3	0.3	2.5	-	2.5	-
Beef products	(16.6)	7.9	(24)	10.2	(48)	13.0	60-65	10	50	6	25	2
Other	( )	( )	( )	( )	( )	( )	2-3	0.3	2.5	-	2.5	-
Fishery products	48.9	23.4	56	23.8	80 <sup>4</sup>	21.7	65	10/9	30 <sup>10</sup>	3	40 <sup>9</sup>	3
Fish Meal	22.4	10.7	28	11.9	40	10.8	30-35	5	10	1	12.5	1
Tinned Fish	14.0	6.7	16	6.8	25	6.5	20-25	3	10	1	17.5	1
Other <sup>1</sup>	12.5	6.0	12	5.1	15	4.4	10-15	2	10	1	10	1
Mineral Products	127.8	61.1	130	56.3	190 <sup>4</sup>	51.7	465-515	70/74	850	85	1140	91
Diamonds	85.0	40.6	70	29.8	100 <sup>3</sup>	27.8	250-300 <sup>5</sup>	36/40	475 <sup>11</sup>	47	475	38
Uranium	-	-	-	-	-	-	80-105 <sup>6</sup>	14	275 <sup>12</sup>	27	550	44
Copper	19.2	9.2	25	10.6	40	10.9	50-60	9	30 <sup>13</sup>	3	50	4
Lead	12.3	5.9	18	7.7	28	7.5	37.5-47.5	6	40 <sup>13</sup>	4	32.5	3
Zinc												
Other <sup>12</sup>	11.3	5.4	17	7.2	22	5.6	25-30	4	30 <sup>13</sup>	3	32.5	3
Total Visible Exports	209.3	100.0	234	100.0	368 <sup>4</sup>	100.0	660-710	100	1010		1250	
Exports as % of GDP	67%		62%		62%		58-62% <sup>7</sup>		71%		74%	

TABLE 4  
BALANCE OF PAYMENTS ESTIMATES<sup>1</sup>  
(R000,000)

<u>Visible Trade</u>	1977	1979 <sup>9</sup>	"1985-86" <sup>10</sup>
Visible Exports	700	1000	1250
Visible Imports	450	700	1150
	<u>+250</u>	<u>+300</u>	<u>+100</u>
<u>Invisible Trade</u> <sup>2</sup>			
Services Exports	15	15	5
Services Imports	65	90	125
Services Balance	<u>-50</u>	<u>-75</u>	<u>-100</u>
<u>Invisible Trade</u> <sup>2</sup>			
Services Exports	15	15	5
Services Imports	65	90	125
Services Balance	<u>-50</u>	<u>-75</u>	<u>-100</u>
<u>Remittances</u> ( - means outflow)			
a. Individuals from Income	-52.5	-57.5	-50 <sup>11</sup>
b. Small Proprietors from Income	-32.5	-22.5	-10
c. Large Firms from Income	-300	-320	-65 <sup>12</sup>
d. Government Recurrent Account <sup>3</sup>	-60	-100	Negl.
e. Railways, Telecoms. Recurrent Account	+20	+25	N.A.
Remittances Balance	<u>-425</u>	<u>-475</u>	<u>-125</u>
<u>Long Term Capital</u> ( - means outflow)			
a. Individuals	-50	-75	-5
b. Small Term Proprietors	-50	-75	-5
c. Large Firms <sup>5</sup>	+60	+50	Negl.
d. Government Capital Account <sup>6</sup>	+115	+125	+50 <sup>13</sup>
e. Parastatals Capital Account <sup>7</sup>	+30	+30	+110
f. Reduction Financial Institution Claims on South Africa	+100	+150	N.A.
Long Term Capital Balance	<u>+205</u>	<u>+205</u>	<u>+150</u>
<u>Short Term Capital</u>	+?	+?	+25
<u>Central Bank</u>	?	?	-50 <sup>14</sup>
<u>Errors and Omissions</u> <sup>8</sup>	+20	+45	?

## NOTES TO TABLE 4

1. Estimates are all approximate. No official data are made public. There is no RSA/Namibia exchange control barrier, so invisible, remittance, banking system and commercial credit data probably do not exist in any systematic form.
2. Excludes interest, dividends - these are included in remittances.
3. Recurrent revenue from exceeds recurrent expenditure in Namibia.
4. Items (a) and (b) represent capital flight.
5. Basically mineral prospecting plus Langer Heinrich development.
6. Derived from 1976-77 Estimates.
7. Derived from 1976-77 Estimates. Railways and Harbours, Post and Telecommunications (R18 million) and rough guess as to other parastatal (e.g. electricity, water) capital spending not financed through government budget or from territorial operating surplus.
8. Balancing item.
9. 1979 and '1985-1986' in 1978 prices.
10. High speculative.
11. Assumes exchange control
12. Assumes dividend control.
13. Includes grant technical assistance.
14. I.e. R50 million addition to Central Bank external reserves.

TABLE 5  
GOVERNMENT REVENUE AND EXPENDITURE  
(R 000,000)

	1978/79 <sup>1</sup> (Estimated Actuals)	"1985/86" <sup>4</sup> (Projected Estimates)
<u>Revenue</u> <sup>2</sup>		
Diamonds	190	200
Company Tax	125	135
Profits Tax	30	30
Export Duty	35	35
Other Company Tax	16.5	200
Uranium	-	125
Other Mining	-	25
Other	16.5	50
Income Tax	37.5	65
Loan Levy	25	-
Customs and Excise	45.5	50
Sales Tax	8	50
Licenses	2	2.5
Departmental Revenue <sup>3</sup>	13	15
Proceeds on Investments <sup>4</sup>	3	50
Loan Recoveries	7.5	5
Miscellaneous	8	12.5
	<u>356</u>	<u>650</u>
<u>Expenditure</u> <sup>5</sup>		
Recurrent	215 <sup>6</sup>	350-400 <sup>7</sup>
Capital	<u>140<sup>6</sup></u>	<u>350-400<sup>8</sup></u>
	355	700-750
Domestic Borrowing	-	25
External Grants/Borrowing	-	50

## NOTES

- 1978/79 Consolidation of South West Africa Account, Consolidated Revenue Fund(RSA) and Territorial Estimates of Revenue and Expenditure (SWA). Diamond revenue adjusted for probable outcome above estimates.
- "1985-86" assumes higher excess profits and company taxes, somewhat more progressive personal income tax, about the same rates of indirect tax.
- 1978/79 excludes an item appearing as expenditure in RSA and revenue in SWA Accounts in respect of "Coloured - Rehoboth - Nama" expenditure.

4. "1985/86" assumes profit from Central Bank and a few other state bodies paid into general revenue but R 175 million retained for parastatal investment.
5. The sectoral breakdown of existing accounts is not very revealing. Further, it is based on colour divided services in a manner making reconstruction of the figures along lines comparable to a "1985/86" budget almost impossible.
6. "Security" expenditure not included.
7. Assumes basic service provision approaching universal coverage. Includes some security expenditure.
8. Assumed public sector investment budget 675 of which 325 government and 350 parastatal projects, domestic borrowing 50, external borrowing 150, operating surpluses 175, recurrent tax revenue 300.

TABLE 6  
Land use patterns 1976 (000 hectares)<sup>1</sup>

	Total	European Ranches	African Areas
Total Area	82 400	37 700	32 600
Arable	700	100	600
Of which irrigated <sup>2</sup>	(.07)	(.07) <sup>2</sup>	(-)
Permanent Pastures	52 900	36 800	16 100
Forest, Woodland <sup>3</sup>	10 400	400	6 000
Waste and Other <sup>4</sup>	18 300	370	9 850
Permanent Water <sup>5</sup>	100	30	50

#### NOTES

1. All estimates except total area highly approximate. Permanent pasture in African areas is particularly suspect and includes, at best, a high proportion of submarginal quality. The "missing" 12 100 000 hectares are largely natural parks and closed areas made up primarily of desert salt pan, swamp and sparse savannah "woodland".
2. Approximately 1 500 ha. Hardap Scheme and 5 500 spot irrigation.
3. Includes a high proportion of very sparse savannah woodland.
4. Desert, bare rock, swamp and urban.
5. Small lakes, excluding salt pans and areas of temporary seasonal inundation.

#### Sources

FAO, Production Yearbook. 1977.

Namibia, Food and Agriculture Sector. 1975.

Southern African Development Coordination Conference, Agriculture, Forestry and Fisheries, London. 1979.

A.M. Mbamba, 'Possibilities for the Future Development of Livestock Ranching In an Independent Namibia'. MA thesis. University of Sussex. 1977.



TABLE 7

## COMMERCIAL AGRICULTURE ACCOUNTS 1977 - 1978 (R000,000)

European Cash Sales			162.5
European Production Used to Pay Labour			1.5
African Cash Sales			10.0
			<u>174.0</u>
Beef	85.0	European Wages	4.0
Dairy	7.5	African Wages	15.0
Smallstock, Eggs, Hides	12.5	Cash (7.5)	
Karakul	55.0	Kind (7-5)	
Wool	2.5	Implements	20.0
Cereals	5	Operating Inputs	25.0
Other	6.5	Gross Fixed Investment	15.0
	<u>174.0</u>	Financial Charges	10.0
		Net Operating Surplus	<u>85.0</u>
			<u>174.0</u>

Notes: A tentative estimation from scattered data of different dates.

Sources: Estimated from data in:

C. Nixon. 'Land Use and Development in Namibia - a Report Prepared for UNIN', 1978.

A.M. Mbamba. 'Possibilities For the Future Development of Livestock Ranching In An Independent Namibia', MA thesis, University of Sussex, 1977.

G. Max. 'Wage Survey', 1976 (unpublished).

Windhoek Observer, various issues, 1978-1979.

