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4. NAMIBIA: DEPENDENCE, DESTABILISATION AND DEVELOPMENT Prof. Reg Green

Reg Green is a Professorial Fellow at the Institute of Development Studies (Sussex). He has been a student of African political economy since 1960, has worked, taught, researched and advised in over 20 African countries and has published extensively on Namibia.

**NAMIBIA: DEPENDENCE, DESTABILISATION AND
DEVELOPMENT**

By Reginald Herbold Green

A man who has inherited a tumbledown cottage has to live in even worse conditions while he is rebuilding it and making a decent home for himself.

- Mwalimu J. K. Nyerere

Dependence: Permutation on a Theme

Namibia is dependent in several distinct ways: first as a small country with inherently unbalanced resources; second as a country with a peripheral/colonial structure of production and of middle and high level personnel; third as an occupied territory of South Africa.

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Namibia possesses major deposits of uranium ore and of diamonds, substantial base metal and coal deposits and - probably - moderate natural gas fields. As 90 per cent of uranium is used to produce electricity and Namibia has hydroelectric - and potential coal and gas sources the only use for uranium oxide is export. Similarly Namibia can produce up to 20 per cent of the world's gem diamonds but has no domestic market. Even for copper, lead, zinc, tin and salt its domestic demand - even with a reasonably large manufacturing sector - could not equal production. While power and mining could use some coal and gas, their optimal development would also involve exports of coal and ammonia/urea (from gas).

Similarly Namibia has large areas moderately well suited to producing cattle and sheep (especially karakul sheep). Even with adequate diets the production of meat would remain grossly in excess of demand and the domestic demand for karakul is nil. The hides and wool should be - as they are not - inputs into leather products and textiles but again output would exceed domestic demand. If - or with proper conservation measures when - the fish stocks revive, fishing and fish processing will exhibit the same natural imbalance.

A small African economy can build up a not insignificant manufacturing sector - vide Botswana. But it will have many gaps because of lack of domestic inputs and/or economies of scale. By the same token - again as in Botswana - a substantial proportion of output is likely to be exported.

However, Namibia today is almost a parody of an economy that produces what it does not use and uses what it does not produce. Of physical goods produced about 90 per cent are exported and of those consumed about 90 per cent are imported. That is the result of an outlook similar to the description of

British colonies ("plantations") given by James Mill as places in which it was convenient for the UK to carry on some activities not as territorial economies in their own right.

Reallocation of priorities, supporting resources and prices could result in Namibia becoming self-sufficient in basic food and provide a basis for food processing for the domestic market. More construction material (e.g. cement), intermediate goods (e.g. glass), light engineering (e.g. equipment and machinery maintenance and repair) and basic consumer goods (e.g. clothing and perhaps textile production) are possible. Meat, fish, leather and wool manufacturing could be built up for the local as well as the export market as could - probably - coal mining and natural gas based ammonia/urea production.

Similarly institutional dependence on externally (South African) based bodies could be reduced. Nor is the situation in which 60 per cent of managerial, administrative, professional, para professional and skilled posts (70 per cent excluding nursing and teaching) are held by whites who are about 5 per cent of the population natural. Both are colonial patterns.

Third, Namibia is dependent on the Republic of South Africa in ways deliberately designed to maximise the benefits to the RSA economy from holding the territory. For example, most of its external trade is by land and through or with South Africa although it has (in law and right despite South African claims to the contrary) a natural deep water port and South Africa is not in general a low cost supplier. What it sells to RSA is again determined by RSA convenience/profit not Namibian. The dominance of South Africans among the expatriate (as opposed to permanent settler) half of the white personnel is equally artificial.

Thus Namibia is an economy likely always to have a high ratio of external trade to output and use. It could reduce this especially in respect to food and selected manufactures and substitute interdependency in some sectors via regional links but full physical self-reliance is not a practicable goal - as opposed to the economic self-reliance of being able to pay its own way.

However, located on the sea and hundreds of miles from any major RSA area of economic activity, Namibia's economic (trade, transport, institutions, personnel) dependence on South Africa is totally artificial. What was built up by colonial policy can be reversed by national - at a cost and over time - perhaps rather more rapidly in Namibia than in several other Southern African states. Or rather it can be if South Africa does not use force to prevent such restructuring away from concentrated, unilateral Namibian dependence on RSA.

Inequitable and Moribund: The Colonial Economy

The main national accounting data - population, economically active people, output, external trade, budget, income distribution - data are set out in the tables annexed to this paper. What follows is a very condensed summary of the story they tell about the colonial political economy's trajectory and present state.

The colonial political economy of Namibia has always been a political economy of theft. Land, cattle, independence, mineral rights, freedom of residence and movement, the right of workers and peasants to organise for their own

interests - all were taken away by force.

However, until the late 1940s Namibia was of no real economic significance - even to South Africa. The rapid growth of its mineral, ranching and fishing sectors took place in about a quarter century after 1950. In 1977 the economy reached a plateau in respect to total output and stayed on it to 1979 before falling steadily through 1983 and levelling off again over 1984-1986.

Over the boom period Namibia as a source of raw materials exploited with cheap black labour, a captive market for South Africa and an employment outlet for (white) South Africans was highly profitable. That is not the case since the early 1980s. Now South Africa probably loses on the order of \$1,500 million (R 3,000 million) a year by fighting its ongoing war against the Liberation Movement.

Why the economic debacle? The reasons are multiple - the war is not the only one. Namibia is a mineral based economy. Since 1975 most minerals have faced severe price falls. Uranium oxides price fell later. Diamonds did not fall in price, but to sustain prices output was cut by over half. Very few SSA economies have fared well since 1979 and in one sense Namibia is a fairly typical African economy. Another sense in which it is typical is that it experienced - and is again experiencing - prolonged drought which over 1976-1984 cut constant price agricultural (largely ranching) output 55 per cent. The collapse of fishing relates to the occupation regime, albeit not to war, but to the war of overfishing it allowed.

But the war has contributed to crippling the economy and prevented recovery. It has totally destroyed enterprise optimism and nearly totally wiped out settler confidence in the future. Gross Constant price investment has fallen by over a third since 1977 and net investment may well be negative overall and certainly is negative for the enterprise sector. Further the war has led directly to the departure of up to 40 per cent of the white ranching community. Finally fighting the war and trying to buy a Namibian support base has wrecked the fiscal position of Namibia and made it a millstone around the South African Treasury's neck.

As noted earlier, Namibia has a very unbalanced economy. Mining accounts for 24 per cent, ranching and fishing (including processing for about 15 per cent), other manufacturing, electricity and water and construction for 3 to 4 per cent each and services for 51 per cent. 1983 exports were 32 per cent uranium oxide, 25 per cent diamonds (reversed by 1986), 21 per cent other metals and minerals, 8 per cent ranching products and 9 per cent fish products. Final goods imports plus fuel were over 85 per cent of total imports and intermediate inputs into production under 15 per cent.

While even in 1985 Namibia had a per capita output of R1,600 (about \$800) about two thirds of all Namibians lived in absolute poverty. Part of the reason is that total recorded and estimated profits and salary remittances out of Namibia even in a depression have regularly exceeded 20 per cent of gross domestic product. However, the dominant reason is radical inequality of income distribution. White household incomes amount to 58 per cent of total household incomes for about 10 per cent of households - averaging over R20,000 in 1983. A small black elite (12½ per cent of households) average about R6,000 and had 21 per cent of household income; the same as the poor worker

and peasant households (77½ per cent of all households) who averaged only R1,000 or one sixth black elite and one twentieth of white incomes.

Over the period since 1977-1985 real production per capita - constant price output adjusted for worsening terms of trade, i.e. more Namibian exports needed to pay for any given volume of imports - has fallen about 37½ to 40 per cent. Investment per capita has declined over 60 per cent, private consumption over 40 per cent but general government has risen over 60 per cent per capita.

This pattern has led to a fiscal debacle. Until 1980 Namibia's budget was in fact sound with a surplus of recurrent revenue over recurrent expenditure standard (and sometimes total recurrent and capital spending was so covered). Higher black wages and salaries, ethnic 'administrations', 'defence' bills and the like ended that period. In the years before 1986/87 external borrowing rose to over R250 million a year. With some control over expenditure and a sharp recovery in diamond profits (which are heavily taxed) the 1986/87 budget may be close to balanced but includes about 20 per cent South African transfers (excluding customs and excise duties). Without these the fact that 1983 - 1987 has only narrowed, not closed, the fiscal gap would be clearer.

Namibia's external balance - to the extent it can be reconstructed - regularly shows a viable trade surplus although in 1983 invisible (service) imports were enough above exports to make the overall trade balance appear negative. By 1985 devaluation of the rand had boosted export earnings (in rand terms) and caused some contraction in import demand so that a clearly positive trade balance ensued. The dependence of trade on South Africa is very marked for imports - about 76 per cent - but fairly limited - 18 to 20 per cent for

exports.

Occupation Infrastructure for Economic Destabilisation

South Africa has of course destabilised Namibia's economy by occupation, exploitation, repression and war. However, the present point is that it has laid the foundations for destabilising independent Namibia. On the Southern African record there is every reason to assume it will seek to activate that infrastructure for destabilisation to deter, hamper or block Namibian efforts to reduce dependence on South Africa. These building blocks for destructive engagement with an independent Namibia are in large part the result of policies designed to hold Namibia, but forward planning on how to manipulate an independent Namibia has also played a role. In any event what matters is what has been created.

First, South Africa has created for Namibia an 'external debt' which by the end of 1983 was of the order of R500 million, with interest and debt service of about R100-120 million a year and a rate of increase of perhaps R250-300 million a year. By mid-1986 it may well have been approaching R1,000 million principal (100 per cent of export earnings) and R200-250 million annual overall debt service (20-25 per cent). In part this represents nominal transfers of railway, power, ^{and} selected mining assets from South African entities to the occupation regime along with parallel debt liabilities to South Africa for their 'purchase'. This creates a slightly more plausible 'external debt' bill as well as raising its level. To accept that debt would cripple the economy of an independent Namibia. To repudiate it - despite the 1971 International Court of Justice opinion which clearly renders it legally void -

might damage Namibia's external financial standing and access to credit.

Second, it has created a budgetary shambles both in terms of actual revenue and expenditure, and, even more, in the appearance of total, permanent insolvency. The attempt to cast Namibia as a fiscal 'basket case' not worth assisting is quite clear in some of P. W. Botha's statements on the cost of the territory to South Africa. So is the warning that instant cut-offs of South African funding before a new tax and expenditure system was in place could cause a breakdown of governmental ability to act. Ironically RSA's own financial needs have apparently halted this rake's progress and 1983-86 has been marked by less profligacy.

Third, in the multiple-tiered and racial administration, South Africa has created a bureaucratic monstrosity. It is not merely politically unacceptable as an entrenchment of racism; it is corrupt, wasteful and unable to operate competently for any purpose, as even the South Africans have admitted. While these functional weaknesses are a drawback to South Africa in occupation; at independence they will threaten the independent state with paralysis. South Africa can enhance this paralysis by the sudden withdrawal of key technical, professional and administrative staff.

Fourth, the efforts of large companies, and especially the occupation regime, to create a stable and skilled black labour force loyal to them will leave a potential time bomb. The professional and skilled/semi-skilled workers are not politically loyal to South Africa. However, their pay scales of R5,000-12,500 a year pose serious problems. It is economically impossible to generalise these income levels to all workers. Even if it were, the effect on rural-urban income inequality and on siphoning off resources otherwise

available for rural development would be politically dangerous and socially irresponsible. To limit these scales to certain posts would both entrench massive intra-African income inequality and make expansion of basic public services fiscally impossible. To sustain them for present African job-holders only, with new entrants on lower scales, would create great bitterness among returning war veterans. To cut them - by direct scale changes or even by a freeze - would at best lead to loss of morale and resentment that gains 'won' from the South African occupiers were promptly eroded at independence.

The bantustan politicians, clerks and home guards pose a different set of problems. Their 'services', unlike those of the professional and skilled personnel, are not needed. But if they are fired they will provide the core for a political fifth column which could provide a focal point for discontent or the basis of a 'hired gun' insurgency, like the Mozambican bandidos armados (MNR).

Fifth, by remaining in illegal occupation of Walvis Bay - Namibia's only deep water port - after independence, South Africa could ensure that it has a choke point. Until Namibia creates alternative ports (for example, by reactivating Swakopmund) or gains access to others (via Angola or Zambia), South Africa at Walvis Bay controls its basic access to the outside world and can prevent diversification of trade and transport away from South Africa.

Sixth, similar consideration apply to road and rail transport. Rolling stock is highly mobile and, like many of the lorry fleets, is South African owned. Major repair facilities are in Upington in South Africa, or Walvis Bay, but not Windhoek. Roads and rail lines without lorries and rolling stock, and

without maintenance and repair capacity, do not constitute a transport system.

Seventh, the sea bastion of South Africa's Orange River line at Alexander's Bay is within mortar or launch range of Namibia's premier economic asset - the Oranjemund diamond complex. Furthermore, the 'boundary' of the Walvis Bay 'enclave' is within range of the alternative port at Swakopmund. The implications are only too clear.

Guarding Against Destabilisation: Reducing Dependence

This infrastructure for destabilisation is alarmingly comprehensive and strong. However, it is not invulnerable. For each of its seven prongs there are at least partially ways of blunting them. Not incidentally these would also reduce dependence on South Africa.

First, most of the 'external debt' is to the South African government or held by South African financial institutions. The latter portion is fully guaranteed by the South African government. Since the World Court decision any lender has been on notice that South Africa's occupation is illegal and that it has no power to incur obligations on behalf of Namibia. Further, under the Vienna Convention on Succession of States, on independence a colony receives all of the colonial state's assets in the colony and/or created for the colony's use with no obligation to pay the former colonial state nor to meet any external debts it may have incurred in the colony's name. Therefore, Namibia will be in a strong legal and practical position to deny liability - as well as having a very strong moral case. If it acts along those lines it will not have the crushing debt burden and dependence on aid that weighs

heavily on many African states today.

Second and third, financial and administrative reform, training and upgrading Namibian personnel and - where needed - securing replacement expatriates are Namibian priorities. Without administrative reform the state will not be able to act effectively to further its goals. Without fiscal reform - especially cutting wasteful or white centred expenditure and diverting part of the savings to universal access basic services - it will either go bankrupt or be unable to build up basic (e.g. health, education, water, extension) services to black Namibians. Building up Namibian capacities is a precondition for real Namibian control of state or economy while radically altering the numbers, sources and uses of expatriates is key to having cooperation with, not sabotage of Namibian aims. Planning in respect to administration, services and finance as well as actual training can to a substantial degree be done before independence. Whether desirable or not a leisurely reform, modification and phase out pattern such as typified most ex-British colonies after independence is not an option which exists.

Fourth, SWAPO can - indeed will need to - formulate an incomes policy setting out the case for lesser black/black as well as black/white inequality of incomes and the reasons Namibians cannot and should not expect (white) South African salary scales. Frank dialogue with skilled Namibians now in Namibia (and pre-independence training in self-discipline for those educated in exile) can achieve at least a suspension of disbelief and cooperation by many of the Namibians affected. In respect to 'homeguards', Southwest African military personnel and puppet politicians there can hardly be an economic solution nor an effective appeal to nationalist ideals - the problem is ultimately a security one. This situation will force Namibia to face the fact that high

salaries mean high inequality, low wages and low peasant incomes - a fact many African states took over a decade to perceive while entrenched interests in inequality were built.

Fifth, Walvis Bay is Namibian. It was created for Namibia and for fifty years was administered as part of Namibia. Both the legal doctrine of estoppel and the Vienna Convention on Succession point to the strength of Namibia's legal as well as moral position. In any event, interim port facilities could be set in operation within months and a new (or reborn) Swakopmund/Swakop estuary port built in two years. While not an immediate priority if Walvis Bay is secured, new deeper and shorter channel facilities will be needed by or soon after 1995 in any event. The rephasing would constrain other programmes but far less than would seeking to operate through a South African controlled Walvis Bay.

Sixth, vehicles, rolling stock and associated maintenance/repair units can be in place within months. That, however, is true only if possible needs are identified before independence and assistance sources programmed to respond at once to requests.

Seventh, action on the economic front cannot prevent cross border shelling or raids. That is a military and diplomatic task - albeit one which needs to be conducted with regard to what economic targets most need protecting. However, some economic actions can help. Leaving De Beers as manager marketing agent and perhaps part owner of Consolidated Diamond Mines should deter South African attacks. Similarly Dutch or Nordic port construction and interim port management personnel would probably reduce the likelihood of South African attacks.

Thus, it is possible to contain and to erode South Africa's base for destabilising Namibia. In large part the measures needed to do so are ones which will reduce dependence on South Africa and increase the coherence and pace of development.

What Meaning - Here and Now

The driving force and design for dependence reduction - especially but not only on the Republic of South Africa (to use SADCC's wording) - must be the Namibian people and their leadership acting through an independent Namibian state. Foreign well-wishers neither should nor can act as resident platonic guardians nor long distance teleprompters.

That, however, is very different from saying Namibia does not need supporters - here and now.

The general issue of support for a genuine decolonisation and free/fair elections so Namibians can choose their own government is outside the scope of this paper and is taken as agreed. However, it is relevant in certain respects. The less 'safeguards' (for South African and foreign firms) or 'barriers' (to Namibian action) are imposed at independence the less delayed and costly will be dependence reduction. An evident point is insistence on the territorial integrity of Namibia - i.e. that Walvis Bay is part of Namibia, not as RSA would have it a suburb of Capetown. A second is that the longer the dead hand of the occupation lasts the weaker the economy will be and the more destabilising influences will have been built into it to deter

and/or sabotage dependence reducing actions.

The immediate inputs into future Namibian dependence reduction that can be made by supporters now are to personpower and information development. SWAPO both runs training programmes and production units in exile and is systematically educating thousands of Namibians at secondary and tertiary level in many parts of the world. These programmes need funding (in many cases - e.g. primary health care) quite small contributions help. They also need places and funds for students abroad - relatively few are in the UK because fees are high and scholarships few.

Knowledge development is a somewhat more specialised area. Everyone can contribute something for programmes and many can lobby (whether universities, foundations, churches, trade unions, the government or the European Parliament) to support training for Namibians. Researchers and policy alternative drafters are by their nature rarer. But they should not be as rare as they are. More scholars and professionals should concern themselves with Namibia and its needs and make their findings and ideas freely available to the people of Namibia and their organisations.

Outside Namibia that means to SWAPO. Inside - especially re programme support - there are practical problems. A war, a brutal occupation regime and overt suppression of SWAPO activities do limit what SWAPO can do inside occupied Namibia. Here there may be room for some action via genuinely Namibian independent bodies with some freedom of manoeuvre grudgingly left them by the regime. In practice that means the member churches of the Namibian National Council of Churches (Lutheran, Catholic, Anglican, African Methodist Episcopal) and - perhaps - independent trade unions (i.e. not company unions).

Care is needed - including advice from SWAPO - to be sure one is supporting real Namibian priorities and acting through channels that are Namibian and not occupation manipulated.

Finally now is not too soon to put the case for prompt and generous support to Namibia at independence. Technical assistance, personnel, replacement vehicles for those RSA will drive or haul away, market access (e.g. for beef), places for training, soft financed assistance for reconstruction and dependence reduction will all be needed. Unless they are planned in advance they will not be available on a timely basis or in adequate quantities.

This is not a field for government action alone. On the one hand the EEC and on the other voluntary agencies (especially churches and trade unions) should play substantial roles. For example, if Namibia needs 75 committed expatriate doctors rapidly at independence, VSO, the British Council of Churches and its members and Catholic Church bodies such as CAFOD and CRS might well be able to respond more adequately and rapidly (preferably in collaboration with their counterparts in other countries) than WHO or governments.

Namibia needs independence and it needs to be able to use it to free itself from dependence on South Africa. It is for supporters of Namibia to learn what needs to be done by them and set out to do it.

Table 1

Population Distribution Estimates 1980-1983

(people 000)

| A. Geographic Distribution | 1980 | | | 1983 | | |
|---|------------|------------|-----------------|------------|------------|-----------------|
| | Rural | Urban | Total(%) | Rural | Urban | Total(%) |
| District/Zone | | | | | | |
| Katima Mulilo ¹ | 38 | 7 | 45 | 40 | 8 | 48 |
| Rundu ¹ | 119 | 6 | 125 | 125 | 8 | 133 |
| Oshakati ¹ | 595 | 18 | 613 | 615 | 28 | 643 |
| Opuwo/Opuhoho ¹ | 15 | 5 | 20 | 16 | 5 | 21 |
| North | <u>767</u> | <u>36</u> | <u>803 (61)</u> | <u>796</u> | <u>49</u> | <u>845 (60)</u> |
| Tsumkwe ¹ | 1 | 1 | 2 | 1 | 1 | 2 |
| Okakarara ¹ | 30 | 11 | 41 | 32 | 12 | 45 |
| Khorixas ¹ | 17 | 12 | 29 | 18 | 13 | 31 |
| Gibeon ¹ | 11 | 5 | 16 | 12 | 6 | 18 |
| Rehoboth | 18 | 14 | 32 | 19 | 15 | 34 |
| Central/Southern 'Homelands' | <u>77</u> | <u>43</u> | <u>120 (9)</u> | <u>83</u> | <u>47</u> | <u>130 (9)</u> |
| Swakopmund | 2 | 16 | 18 | 2 | 20 | 22 |
| Walvis Bay | 0 | 20 | 10 | 0 | 19 | 19 |
| Luderitz ² | 1 | 16 | 17 | 1 | 16 | 17 |
| Coast | <u>3</u> | <u>52</u> | <u>55 (4)</u> | <u>3</u> | <u>55</u> | <u>58 (4)</u> |
| Tsumeb | 10 | 15 | 25 | 12 | 13 | 25 |
| Outjo | 7 | 4 | 11 | 8 | 4 | 12 |
| Groot Fontein | 12 | 12 | 24 | 14 | 14 | 28 |
| Otjiwarongo | 8 | 12 | 20 | 8 | 13 | 21 |
| Omaruru | 3 | 4 | 7 | 3 | 4 | 7 |
| Okahandja | 8 | 8 | 15 | 8 | 9 | 17 |
| Gobabis | 20 | 7 | 27 | 21 | 7 | 28 |
| Karibib | 6 | 6 | 12 | 6 | 6 | 12 |
| Windhoek | 11 | 124 | 135 | 13 | 150 | 163 |
| North/Central 'White' Ranching Districts | <u>85</u> | <u>192</u> | <u>277 (21)</u> | <u>93</u> | <u>220</u> | <u>313 (22)</u> |

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Table 1 (continued)

| | | | | | | |
|-------------------------------------|----------------|----------------|------------------|-----------------|----------------|------------------|
| Mariental | 14 | 10 | 24 | 15 | 11 | 26 |
| Maltahoho | 3 | 2 | 5 | 4 | 2 | 6 |
| Keetmanshoop | 7 | 13 | 20 | 7 | 15 | 22 |
| Bethanie | 2 | 1 | 3 | 2 | 1 | 3 |
| Karasburg | 5 | 6 | 11 | 6 | 6 | 12 |
| South 'White' Ranching Districts | <u>31</u> | <u>32</u> | <u>63 (5)</u> | <u>34</u> | <u>35</u> | <u>69 (5)</u> |
| In Namibia | <u>973(74)</u> | <u>345(26)</u> | <u>1318(100)</u> | <u>1009(72)</u> | <u>406(28)</u> | <u>1415(100)</u> |
| In Exile | - | - | 42.5 | - | - | 82.5 |
| Total | - | - | <u>1,360</u> | - | - | <u>1,497.5</u> |

Notes: 1. Districts given name of main town not 'homeland' designation.
 2. Includes Oranjemund.
 All estimates highly approximate. District estimates rounded to nearest 000.

B. Sex/Age Distribution

| | 1980s - % of population | |
|--------------|-------------------------|-------------|
| | South African Census | Adjusted |
| <u>Women</u> | <u>51</u> | <u>51.5</u> |
| 0 - 6 | 10.5 | 11 |
| 7 - 17 | 14 | 15.5 |
| 18+ | 26.5 | 25 |
| <u>Men</u> | <u>49</u> | <u>48.5</u> |
| 0 - 6 | 10.5 | 11 |
| 7 - 17 | 14 | 14.5 |
| 18+ | 24.5 | 23 |
| <u>Total</u> | <u>100</u> | <u>100</u> |
| 0 - 6 | 21 | 22 |
| 7 - 17 | 28 | 30 |
| 18+ | 51 | 48 |

Note: Estimated from National Atlas South West Africa Sections 40 and 42-51; Rivers, B Namibia: An Energy Survey, UNDTCD, NAM/79/001, New York, 1985; Fragmentary reports on local employment, population situations. Subject to wide error margin but probably less so than 'official' data.

Table 2

Labour Force 1977 - 1985

| | <u>1977</u> | <u>90</u> | <u>1983</u> | <u>90</u> | <u>1985</u> | <u>90</u> |
|------------------------------------|---------------|-----------|---------------------|-----------|---------------------|-----------|
| Economically Active ¹ | 500,000 | 40 | 600,000 | 40 | 640,000 | 40 |
| SWATF/Police ² | 7,500 | 1 | 15,000 | 1 | 20,000 | 1 |
| Children and Students ² | 565,000 | 45 | 675,000 | 45 | 720,000 | 45 |
| Aged and Handicapped ³ | 72,500 | 6 | 65,000 ⁵ | 4 | 62,000 ⁵ | 4 |
| Non Econ. Active | | | | | | |
| Spouses ⁴ | 65,000 | 5 | 60,000 ⁵ | 4 | 57,500 ⁵ | 4 |
| Exiles | <u>42,500</u> | <u>3</u> | <u>85,000</u> | <u>6</u> | <u>100,000</u> | <u>6</u> |
| Total | 1,252,500 | 100 | 1,500,000 | 100 | 1,600,000 | 100 |

Notes:

1. Includes unemployed, underemployed.
2. Under 15 plus full time students 15 and over.
3. Pensioners and other aged not economically active.
4. Not economically active means urban spouse not earning significant income outside household.
5. Fall in numbers relates to increased living cost limiting ability to survive on pensions and on male employee's pay, also fall in number of white households.

All estimates highly approximate.

Sources: UNIN (1978); W. Van Ginneken, "Incomes and Wages in Namibia", ILO, Geneva, 1985; Table 3 SWAPO, To be Born a Nation, ZED, New York/London, 1981.

Table 3

Economically Active Population 1977 - 1985

| <u>Category</u> | <u>1977</u> | <u>90</u> | <u>1983</u> | <u>90</u> | <u>1985</u> | <u>90</u> |
|-------------------------------------|---------------|-----------|---------------|-----------------|----------------|------------------------|
| Core Employment ¹ | 187,500 | 38 | 176,000 | 29 ⁵ | 170,500 | 26 |
| Semi Formal Employment ² | 10,500 | 2 | 18,500 | 3 | 21,000 | 3 |
| Small Agriculture | 240,000 | 48 | 300,000 | 50 | 311,000 | 49 |
| Domestic Service | 40,000 | 8 | 35,000 | 6 | 35,000 | 6 |
| Informal/Unemployed ³ | <u>22,000</u> | <u>4</u> | <u>70,500</u> | <u>12</u> | <u>102,500</u> | <u>16</u> ⁴ |
| Total | 500,000 | 100 | 600,000 | 100 | 640,000 | 100 |

Notes: All estimates, except core employment, highly approximate.

1. Formal sector wage/salary employment and formal sector
2. Black businesses with net income at least comparable to lower end of wage scale.
3. Informal 'occupations' yielding less than low wage and less than substance plus overt unemployment.
4. Official 1984 estimate 75,000. 1984, 95,000 for unemployment.
5. Official 1984 employment total 157,051.

Sources: Windhoek Advertiser 27 August, 1981 and 24 January 1985, Manpower Survey 1984; SWA Directorate of Development Co-ordination, Windhoek, 1985.

Table 4

Skill Levels in Namibian Formal Sector Employment 1985

| <u>Sector</u> | <u>Managerial/Administrative</u> | | | <u>Professional</u> | | |
|------------------------------------|----------------------------------|--------------|---------------|---------------------|---------------|---------------|
| | <u>Black</u> | <u>White</u> | <u>Total</u> | <u>Black</u> | <u>White</u> | <u>Total</u> |
| Agriculture | N | 4,000 | 4,000 | N | 1,000 | 1,000 |
| Forestry | - | 25 | 25 | - | - | - |
| Fisheries | - | 100 | 100 | - | - | - |
| Mining | N | 500 | 500 | N | 1,250 | 1,250 |
| Manufacturing | N | 400 | 400 | N | 400 | 400 |
| Water | - | 100 | 100 | N | 100 | 100 |
| Electricity | - | 50 | 50 | N | 50 | 50 |
| Construction | - | 25 | 25 | - | 250 | 250 |
| Transport/Communications | N | 750 | 750 | N | 700 | 700 |
| Commerce/Accommodation/ Finance | 100 | 1,000 | 1,100 | N | 250 | 250 |
| Health | N | 100 | 100 | 2,100 | 800 | 2,900 |
| Education | N | 100 | 100 | 7,150 | 2,650 | 9,800 |
| General Government | 500 | 1,500 | 2,000 | 100 | 2,900 | 3,000 |
| Other | 100 | 400 | 500 | 100 | 400 | 500 |
| TOTAL | 600 | 9,425 | 10,025 | 9,450 | 10,350 | 19,800 |

| <u>Sector</u> | <u>Skilled/Para Professional</u> | | | <u>Semi Skilled/Clerical</u> | | |
|-------------------------------------|----------------------------------|--------------|---------------|------------------------------|--------------|---------------|
| | <u>Black</u> | <u>White</u> | <u>Total</u> | <u>Black</u> | <u>White</u> | <u>Total</u> |
| Agriculture | 250 | 500 | 750 | 17,500 | N | 17,750 |
| Forestry | 100 | 25 | 125 | 600 | - | 600 |
| Fisheries | N | 200 | 200 | 600 | N | 600 |
| Mining | 2,000 | 1,750 | 3,750 | 6,000 | N | 6,000 |
| Manufacturing | 500 | 300 | 800 | 3,500 | N | 3,500 |
| Water | 100 | 100 | 200 | 650 | N | 650 |
| Electricity | 100 | 100 | 200 | 650 | N | 650 |
| Construction | 250 | 250 | 500 | 2,250 | N | 2,250 |
| Transport/ Communications | 1,250 | 1,500 | 2,750 | 7,050 | 550 | 7,600 |
| Commerce/Accom- modation/Finance | 1,500 | 2,150 | 3,650 | 7,400 | 600 | 8,000 |
| Health | 1,100 | 100 | 1,200 | 500 | N | 500 |
| Education | 100 | N | 100 | 100 | N | 3,100 |
| General Government | 1,400 | 1,600 | 3,000 | 4,000 | 1,000 | 5,000 |
| Other | 200 | 200 | 400 | 600 | N | 600 |
| TOTAL | 8,850 | 8,650 | 17,500 | 51,650 | 2,450 | 54,100 |

Continued...../

Table 4 continued

| <u>Sector</u> | <u>Unskilled</u> | | <u>Total</u> | | <u>Total</u> |
|--------------------------|------------------|---------------|----------------|---------------|----------------|
| | <u>Black</u> | <u>Total</u> | <u>Black</u> | <u>White</u> | |
| Agriculture | 20,000 | 20,000 | 39,000 | 4,500 | 43,500 |
| Forestry | 800 | 800 | 1,500 | 50 | 1,550 |
| Fisheries | 600 | 600 | 1,200 | 300 | 1,500 |
| Mining | 4,200 | 4,200 | 12,200 | 3,800 | 16,000 |
| Manufacturing | 3,650 | 3,650 | 7,650 | 1,100 | 8,750 |
| Water | 750 | 750 | 1,500 | 300 | 1,800 |
| Electricity | 750 | 750 | 1,500 | 200 | 1,700 |
| Construction | 4,750 | 4,750 | 7,250 | 750 | 8,000 |
| Transport/Communications | 8,300 | 8,300 | 16,600 | 3,500 | 20,100 |
| Commerce/Accom- | | | | | |
| modation/Finance | 11,000 | 11,000 | 20,000 | 4,000 | 24,000 |
| Health | 1,300 | 1,300 | 5,000 | 1,000 | 6,000 |
| Education | 900 | 900 | 8,250 | 2,750 | 11,000 |
| General Government | 13,000 | 13,000 | 19,000 | 7,000 | 26,000 |
| Other | 500 | 500 | 1,500 | 1,000 | 2,500 |
| TOTAL | 69,000 | 19,000 | 139,000 | 30,500 | 169,500 |

Notes:

N Means negligible

Estimated from sectoral chapters UNIN, 1986; fragmentaray data;
Manpower Survey 1984 Directorate of Development Coordination, SWA
 Administration, Windhoek 1985.

All estimates approximate and tentative.

Table 5

Education/Training Estimates Economically Active Population in Namibia^{1.2}

| | 1977 | | | 1983 | | | 1985 | | |
|--|---------|--------|---------|---------|--------|---------|---------|--------|---------|
| | Black | White | Total | Black | White | Total | Black | White | Total |
| University or Equivalent ⁴ | 35 | 5,000 | 5,000 | 75 | 5,000 | 5,075 | 125 | 5,750 | 5,875 |
| Other Tertiary | 35 | 5,000 | 5,000 | 100 | 5,000 | 5,100 | 250 | 5,750 | 6,000 |
| Secondary or Equivalent | 5,000 | 10,000 | 15,000 | 7,500 | 19,000 | 16,000 | 8,500 | 11,000 | 20,000 |
| Other Post Primary | 5,000 | 7,500 | 12,500 | 7,500 | 7,000 | 14,500 | 9,000 | 7,000 | 16,000 |
| Complete Primary | 42,000 | 7,500 | 51,500 | 52,500 | 5,000 | 57,000 | 60,000 | 6,500 | 66,500 |
| Substantial Primary | 112,500 | Neg 1 | 112,000 | 151,500 | Neg 1 | 152,500 | 170,000 | Neg 1 | 165,000 |
| Negligible or Nil | 300,000 | Neg 1 | 300,000 | 350,000 | Neg 1 | 350,00 | 362,000 | Neg 1 | 360,000 |
| TOTAL | 465,000 | 35,000 | 501,000 | 569,000 | 30,000 | 600,000 | 610,000 | 30,000 | 640,000 |

Notes:

1. All estimates approximate, numbers rounded.
2. Not including Namibians in exile.
3. May be overestimate in formal degree terms. Relates to job levels and older holders may have more experience/on the job training and less degrees.
4. Significant post secondary education/training (including in-service/part-time) say 12 to 19 months full time equivalent minimum.
5. Form 4 and Form 6.
6. Incomplete (less than 4 years) secondary or 12 to 18 months full time equivalent post primary other than standard secondary.
7. Four years or more - retained functional literacy. Functional literacy via adult education classified here.
8. Functionally illiterate.

Sources: Estimated from UNIN (1978), Chapter 14; Windhoek Advertiser, 17 January 1985; National Atlas, Section 72; Fragmentary data.

Table 6

Economic Activity/Absolute Poverty 1977 - 1985
(As 90 of Economically Active)

| <u>Category</u> ¹ | <u>1977</u> | | <u>1983</u> | | <u>1985</u> | |
|--------------------------------------|--------------|----------------------------------|--------------|----------------------------------|--------------|----------------------------------|
| | <u>Total</u> | <u>Absolutely</u> <u>Poor</u> | <u>Total</u> | <u>Absolutely</u> <u>Poor</u> | <u>Total</u> | <u>Absolutely</u> <u>Poor</u> |
| Core employed ² | 38 | 5.7 | 29 | 2.9 | 26 | 2.6 |
| Semi Formal Employed ³ | 2 | 0.4 | 3 | 0.6 | 21 | 0.6 |
| Small Agriculture ⁴ | 48 | 40.8 | 50 | 45.0 | 49 | 44.1 |
| Domestic Service ⁵ | 8 | 6.4 | 6 | 4.8 | 6 | 4.8 |
| Informal/ Unemployed ⁶ | <u>4</u> | <u>3.6</u> | <u>12</u> | <u>10.8</u> | <u>16</u> | <u>14.4</u> |
| Total | 100 | 56.9 | 100 | 64.1 | 100 | 66.5 |

Notes:

1. See Table 2 for categories.
2. 15% 1977 and 10% thereafter assumed to be below absolute poverty line (real wages rose 1977-83).
3. 20% assumed to be below absolute poverty line.
4. 85% 1977 and 90% thereafter assumed to be below absolute poverty line.
5. 80% assumed to be below absolute poverty line.
6. 90% assumed to be below absolute poverty line.

Sources:

UNIN (1986); Fragmentary Income Data from various sources; 1984 Field Research by C. Allison.

Table 7

-25-

1983 Gross Domestic Product

| Sector | RSA Estimate | Coverage Adjustment ¹ | Revised Estimate | % |
|---|--------------|----------------------------------|------------------|-----------|
| Agriculture, Forestry, Fishing, Hunting | 143 | 95 | 238 | 12 |
| Mining ² | 473 | 5 | 478 | 24 |
| Primary | <u>616</u> | <u>100</u> | <u>716</u> | <u>36</u> |
| Manufacturing ³ | 94 | 40 | 134 | 6½ |
| Construction | 64 | 15 | 79 | 4 |
| Electricity & Water | 61 | 10 | 71 | 3½ |
| Secondary | <u>291</u> | <u>65</u> | <u>284</u> | <u>14</u> |
| Transport and Communications | 97 | 23 | 120 | 6 |
| Trade & Accom- modation | 235 | 42 | 277 | 14 |
| Financial and Business Services | 125 | 10 | 135 | 7 |
| Other Services | 88 | 30 | 118 | 6 |
| General Government | <u>340</u> | <u>25</u> | <u>365</u> | <u>18</u> |
| | <u>885</u> | <u>130</u> | <u>1015</u> | <u>51</u> |
| Tertiary Sector | | | | |
| GDP (at factor cost) | 1720 | 295 | 2015 | 100 |

Notes:

1. Coverage Adjustment Includes Household Self Provisioning (food, fuel, house construction), artisanal - semi-formal - small scale formal undercount, domestic service and Walvis Bay.
 - a. Household Self Provisioning (R 75m)

| | | | |
|-------|-------|--------------------|--------|
| Crops | R 15m | Fuel | R 15m |
| Stock | R 30m | Hunting, Gathering | R 5m |
| Dairy | R 15m | Stock Losses | (-15m) |

Primary Sector R 65m
Housing - Estimated on basis 200,000 rural dwellings, 5 year average life; R 250 average labour content.
Secondary Sector R 10m
 - b. Undercount (R 30m)

| | |
|----------------------------------|-------|
| Artisanal Manufacturing | R 10m |
| Transport | R 3 m |
| Rental/Housing/Rooming and Trade | R 17m |
 - c. Domestic Service (R 20m)
35-40,000 at R 500-600
 - d. Walvis Bay (R 170m)

| | | | |
|----------------|-------|------------------------------|-------|
| Fishing | R 30m | Transport-Communications | R 20m |
| Salt | R 5m | Trade and Accommodation | R 25m |
| Manufacturing | R 30m | Financial, Business Services | R 10m |
| Construction | R 5m | Other Services | R 10m |
| Electric/Water | R 10m | General Government | R 25m |
2. Includes smelting, refining.
3. Includes meat packing, fish processing.

Sources: Adapted from Statistical and Economic Review 1984; methodology based on Green, R. H., et al Namibia: The Last Colony, 1981; fragmentary and/or sectoral data 'subsistence' (self provisioning), forestry, fishing and fish processing, port, domestic service.

Table 8

Domestic and National Product: 1946 - 1983 (R 000,000)

| <u>Year</u> | <u>GDP</u> | <u>GNP</u> ¹ | <u>GNP as % GDP</u> ² |
|-------------|------------|-------------------------|----------------------------------|
| 1946 | 22.2 | 20.4 | 92% |
| 1950 | 61.0 | 46.4 | 76% |
| 1954 | 107.2 | 74.4 | 70% |
| 1956 | 141.6 | 85.1 | 60% |
| 1958 | 121.3 | 83.2 | 69% |
| 1962 | 146.7 | 104.1 | 71% |
| 1969 | 368.9 | 278.0 | 75% |
| 1977 | 1135.0 | 710.0 | 63% |
| 1983 | 2000.0 | 1600-1680 | 80-84% |
| 1985 | 2900.0 | 2250-2400 | 77-83% |

Notes:

1. Methods of estimating factor payments and remittances vary. 1946-62 data are comparable with each other and probably roughly comparable with 1977 and 1983. 1969 is apparently on a basis likely to increase the GNP/GDP ratio by a least 5%.
2. Excluding 1969 (see Note 1) the swings correspond to degree of economic and especially enterprise surplus) buoyancy. This improved steadily over 1946-1957, worsened sharply 1958-60, recovered 1960-1977 and worsened radically from 1978 (and especially 1980) onward.

Sources:

- a. 1946-1962 Odendaal Report, Pretoria, 1964.
- b. 1969 'Desert Deadlock' Financial Mail, 2-III-73.
- c. 1977 Table 14, Namibia: The Last Colony (Green, Kiljunen, Kiljunen), London, 1981.
- d. 1983 GDP and BOP Tables revised from UNIN, 1986; 1985 GDP adjusted in same manner.

Table 9

Income Distribution: 1977-1983¹ (R 000,000)

| | <u>1977</u> | <u>1983</u> |
|--|-----------------|-----------------|
| <u>Household Incomes</u> | <u>700</u> | <u>1445</u> |
| Wages/Salaries | 450 | 1127½ |
| Gross Operating Surpluses' | 200 | 205 |
| Jan Use Production | <u>50</u> | <u>112½</u> |
| Large Enterprise Gross Operating Surpluses | <u>435</u> | <u>555</u> |
| GDP at Factor Cost | <u>1135</u> | <u>2000</u> |
| <u>Distribution of Household Incomes</u> | | |
| <u>White</u> | <u>500(71%)</u> | <u>835(58%)</u> |
| Wages/Salaries | 320 | 700 |
| Surpluses | 175 | 125 |
| Own Use | 5 | 10 |
| Number of Households ² | 45,000(13%) | 40,000(10%) |
| Average per Household (R) | <u>11,100</u> | <u>20,875</u> |
| <u>Black 'Elite'³</u> | <u>47(7%)</u> | <u>305(21%)</u> |
| Wages/Salaries | 30 | 240 |
| Surpluses | 15 | 60 |
| Own Use | 2 | 5 |
| Number of Households ² | 22,500(6%) | 50,000(12½%) |
| Average per Household (R) | <u>12,100</u> | <u>6,100</u> |
| <u>Black Worker/Peasant</u> | <u>153(22%)</u> | <u>305(21%)</u> |
| Wages/Salaries | 100 | 187½ |
| Surpluses | 10 | 20 |
| Own Use | 43 | 97½ |
| Number of Households ² | 282,500(81%) | 310,000(77½%) |
| Average per Household (R) | <u>540</u> | <u>1,000</u> |
| <u>Total</u> | | |
| Household Incomes | 700 | 1,445 |
| Households | 350,000 | 400,000 |
| Average per Household (R) | 2,000 | 3,600 |

Notes:

1. Includes depreciation (estimated at R130 million 1977 and R313 million 1983).
2. Rough estimate. May overstate number of white households. In respect to black worker/peasant households, divided households are treated as separate units thus adjustment from 6 to 4 average household size.
3. In 1977 basically workers in large mines plus limited number of professionals, small businessmen, government employees, large scale non-mining enterprise employees. Rapid growth relates to upgrading of government black salaries, proliferation Second Tier posts, enterprise attempts to be seen as "equal opportunity" employers.

Sources:

1977 adjusted from Table 15 in Green, Kiljunen, Kiljunen; 1983 adjusted from 1984 Statistical/Economic Review and 1983/84 Budget to correspond to adjusted GDP. Wage/Salary level estimates based on incomplete micro data for some categories and posts.

Table 10

Namibian External Accounts 1977-83 (R 000,000)¹

| | 1977 | 1983 |
|--|-----------------------|----------------------|
| <u>Exports</u> | 800 | 1060 |
| Goods | 775 | 1005 |
| Non Factor Services | <u>25</u> | <u>55</u> |
| <u>Imports</u> | 650- | 1170- |
| Goods | 550 | 1000 |
| Non Factor Services | <u>100</u> | <u>170</u> |
| <u>Trade Balance Surplus/(Deficit)</u> | <u>150</u> | <u>(110)</u> |
| <u>Factor Payments/Remittances</u> ² | 340-420 | 320-370 ⁴ |
| Recorded Interest/Dividends ³ | 140 | 120 |
| Unrecorded Enterprise Remittances ⁵ | 75-100 | 50-75 |
| Wage-Salary-Small Business Remittances ⁶ | <u>125-150</u> | <u>150-175</u> |
| <u>Basic Current Account Balance (Deficit)</u> | <u>(190-270)</u> | <u>(430-480)</u> |
| <u>Government/Railways Transfer Receipts</u> ⁸ | <u>75</u> | <u>625</u> |
| <u>Capital Account Net Inflow/Outflow</u> | <u>130-210</u> | <u>(35-85)</u> |
| Government External Borrowing | - | 150 |
| Enterprise Capital Inflows ⁹ | 150-200 ¹⁰ | 50 ¹¹ |
| Enterprise Debt Repayment ¹² | (25) | (50-75) |
| Territorial Enterprise External Balance Changes ¹³ | 20-(10) | (50-100) |
| Increase in RSA Currency in circulation ¹⁴ | (10) | (20-30) |
| Change in Net External Commercial Credit Outstanding ¹⁵ | 25 | (20-30) |
| Capital Flight | <u>Neg1</u> | <u>(90-100)</u> |

Notes:

1. All estimates adjusted to include Walvis Bay. Goods, non-factor services imports, recorded interest/dividends, government/railways transfer receipts estimated with some degree of accuracy. Other items highly speculative.

2. Narrowly defined.

continued/

Table 10 (continued notes, etc.)

3. Probably seriously incomplete.
4. Adjusted for probable R20 million underestimation in provision 1983 official estimates.
5. Not readily separable from enterprise external balance changes.
6. If savings held with Namibian financial institution impossible to separate accurately from enterprise external balance changes.
7. Railways R20 million 1977, R70 million 1983. Both government and railways include capital account transfers as well as recurrent, government transfers include R55 and R275 million for 1977 and 1983 respectively (adjusted to include all of Namibia).
8. Includes parastatals other than railways. Includes loan and equity capital inflows.
9. Dominated by Rossing/Otjihase mine development.
10. Probably largely mineral exploration.
11. Largely external loan payments by Rossing in 1983.
12. See Notes 5 and 6. Includes head office account balances of branches. () means increase in net external claims.
13. Because RSA - not Namibian - currency is used in Namibia, increased currency circulation de facto represents a capital outflow (purchase of external asset).
14. () means reduction in external commercial credit used.
15. () means outflow. Highly speculative and if via shifting financial institution accounts almost impossible to disentangle from enterprise external balance changes.

Sources:

Statistical/Economic Review 1982, 1983; Green, Kiljunen, Kiljunen, Namibia: The Last Colony, Tables 14, 17, 20; various micro estimates. In both years exports adjusted to include new data on probable tourism receipts (see Chapter Wildlife and Tourism UNIN, 1986) and to take toll smelting receipts into account.

Table 11

A. Exports: 1977-1983 (R 000,000)¹

| | <u>1977</u> | <u>1983</u> |
|--|-------------|-------------|
| Meat Products | 15 | 30 |
| Live Cattle | 50 | 35 |
| Karakul, Wool, Mutton | 70 | 20 |
| Fish Products | 65 | 95 |
| Diamonds | 300 | 250 |
| Uranium Oxide | 110 | 325 |
| Base Metals, Other Metals and Minerals, Concentrates ² | 150 | 220 |
| Other Visible Exports ³ | 20 | 30 |
| Exports Non-Factor Services ⁴ | <u>25</u> | <u>55</u> |
| Total | <u>800</u> | <u>1060</u> |

Notes:

1. Adjusted to include all of Namibia.
2. Includes concentrates, ores, salt.
3. Hides and skins may account for up to 25%.
4. Includes tourism, business travel, toll smelting, non-Namibian ores.

Sources: Statistical/Economic Review, 1984; Namibia: The Last Colony, Tables 18, 20; Quarterly Economic Review of Namibia, etc. (Economist Intelligence Unit), various issues 1983, 1984; Financial Mail and Rand Daily Mail, various issues.

B. Imports: 1977-1983 (R 000,000)¹

| | <u>1977</u> | <u>1983</u> |
|---------------------------------------|--------------------|------------------|
| Grain ¹ | 5 | 25 |
| Other Food ² | 15 | 30 |
| Passenger Cars ³ | 15 | 30 |
| Other Consumer Goods ⁴ | <u>127½ (16½)</u> | <u>250 (335)</u> |
| Fuel ⁵ | 60 | 275 |
| Other Intermediate Goods ⁶ | <u>112½ (172½)</u> | <u>135 (410)</u> |
| Transport Equipment ⁷ | 20 | 30 |
| Other Capital Goods ⁷ | <u>195 (215)</u> | <u>225 (255)</u> |
| Total | <u>550</u> | <u>1000</u> |

continued...../

Table 11 continued

C. Direction of Trade 1983/84

Imports (R 000,000)

| | <u>RSA</u> | <u>Other</u> |
|--------------------------|------------------------|------------------------|
| Grain | 25 | - |
| Other Food | 25 | 5 |
| Automobiles | 20 | 10 |
| Other Consumer Goods | 200 | 50 |
| Fuel | 275 | - |
| Other Intermediate Goods | 75 | 60 |
| Transport Equipment | 15 | 15 |
| Other Capital Goods | <u>125</u> | <u>100</u> |
| Total | <u>760</u> | <u>240</u> |
| | <u>769¹</u> | <u>244²</u> |

1. If fuel treated as 50% other RSA share falls to 63%.

2. Dominantly Western Europe, North America, Japan, in that order.

Note: Estimated from import patterns of Botswana, Swaziland.

Exports (%)

| | <u>Recorded Exports</u> | <u>Adjusted to Include Namibian EEZ Fish</u> |
|--------------------|-------------------------|--|
| Western Europe | 33-35 | 32-34 |
| USA ¹ | 22-28 | 20-26 |
| South Africa | 18-20 | 18-20 |
| Japan | 14-16 | 12-14 |
| Independent Africa | 1-2 | 1-2 |
| Socialist Europe | - | 5-6 |
| Other | 4-6 | 4-5 |

Note: 1. Treats diamonds in terms of final destination - most via RSA, London and often Amsterdam.

Estimated from incomplete micro data on destination of exports.

Table 12

A. 1983/84 Consolidated Territorial Budget (R 000,000)¹

| <u>Total Expenditure</u> | <u>1,300</u> | <u>Total Finance</u> | <u>1,300</u> |
|--------------------------|--------------|----------------------|------------------|
| Recurrent | 1,050 | Revenue | 750 ⁶ |
| Capital | 200 | Gap | 500 |

| <u>By Category</u> | | <u>By Category</u> | |
|--------------------|-----------------------|---------------------------|------------------|
| Second Tier | | Indirect | (360) |
| Central Budget | 285 | Custom Excise | 275 |
| Own Revenue | 150 ² | Sales Tax | 85 |
| Central Admin'stn. | 40 | Direct | (215) |
| 'Debt' Service | 76 | Mining Taxes | 75 |
| Other Financial | | Other Company tax | 35 |
| Transfers | 79 | Dividend Remittance Tax | 10 |
| Defence | 71 ³ | Personal Income Tax | 145 ⁷ |
| Police | 53 ³ | Other | (175) |
| Agriculture | 70 | Service Charges and Rates | 140 |
| Transport | 91 | Fees, Licences, etc. | <u>35</u> |
| Water | 56 | <u>Subtotal</u> | <u>750</u> |
| Education | 42 (122) ⁴ | RSA Transfer | 275 |
| Health | 32 (82) ⁴ | Borrowing | 195 |
| Walvis Bay | 114 | Residual | <u>30</u> |
| Other ⁵ | <u>141</u> | <u>Total</u> | <u>1,300</u> |
| <u>Total</u> | <u>1,300</u> | | |

Notes:

1. Adjusted to cover Walvis Bay plus Second Tier and Municipal expenditure from own revenue.
2. Dominantly white Second Tier and Windhoek.
3. Excludes expenditure on RSA Budget. Also excludes 'home guards' etc., on second tier budgets.
4. Including 'Second Tier' funding purportedly spent on these heads.
5. Includes municipal budget guesstimates.
6. Includes Walvis Bay, Second Tier, Municipal.
7. Collected by Second Tier. Indirect tax revenue is aggregated into RSA Revenue Estimates.

Sources: 1983/84 Budget Estimates adjusted on the basis of fragmentary data on Second Tier, Municipal, Walvis Bay expenditure and revenue; Thomas, W. H., "Namibia 1985: A New Start", address 3-VI-85 at Klein Windhoek.

continued...../(2)

Table 12 continued (2)

B. 1984-85¹

| <u>Expenditure</u> | <u>Budget</u> | <u>Estimated Actual</u> |
|---------------------------------------|---------------|-----------------------------|
| Second Tier Central Budget | 305 | |
| Own Revenue ² | 200 | |
| Central Administration | 58 | |
| Justice and Police ³ | 66 | |
| Defence ³ | 131 | |
| 'Debt' Service | 149 | |
| Other Financial | 98 | |
| National Education (135) ⁴ | 56 | |
| National Health (75) ⁴ | 14 | |
| Water Affairs | 56 | |
| Agriculture | 46 | |
| Posts, Telecommunications | 59 | |
| Transport | 97 | |
| Economic and Manpower | 96 | |
| Others | <u>149</u> | |
| <u>Total</u> | <u>1,580</u> | <u>1,520</u> |
| Recurrent Expenditure | 1,340 | |
| Capital | <u>240</u> | |
| <u>Revenue</u> ⁶ | | |
| Opening Surplus | 56 | 68 |
| Indirect | 400 | 410 |
| Customs/Excise | (275) | |
| Sales Tax | (125) | |
| Direct | 320 | 340 |
| Mining Tax | (105) | |
| Other Company Tax | (30) | |
| Personal Income Tax | (175) | |
| Dividend Remittance Tax | (10) | |
| Other | 150 | 157 |
| Loans Raised | 180 | 220 |
| RSA Transfer Basic | 318 | 318 |
| RSA Transfer Defence | 54 | 54 |
| <u>Total</u> | <u>1,473</u> | <u>1,542</u> |
| Expenditure | 1,580 | 1,520 |
| Revenue ⁷ | <u>875</u> | <u>912</u> |
| Gap | <u>705</u> | <u>608</u> |

continued...../(3)

Table 12 continued (3)

Notes:

- 1 - 6. See 12A.
7. Excludes Opening Surplus, RSA Transfers, Loans Raised.

Sources: See 12A and Dirk Mudget, Budget Speech, 5-VII-85.

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