

# DISCUSSION PAPER

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**Political Economy and Structural Change:  
Namibia at independence**  
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NAMIBIA AT INDEPENDENCE

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The political economy of structural change and liberation in Namibia in the initial post-independence period is not typical of other sub-Saharan African states, but the problems confronting Namibian decision takers will be only too similar to those of other governments in the region. Major challenges will include the need for fundamental structural change, severe resource limitations, potential fragility of the political base and need to influence the social impact of policies as a precondition for decisions to be effective economically and viable politically. What approaches will be feasible is dependent on political economic as well as structural and resource constraint parameters. This paper addresses the question of structural change in Namibia on independence within the context of a SWAPO directed political economy of transition. It covers the period from the present to the first two years of independence and identifies some major priorities for both resource and policy.

\* While Ms. Allison and Professor Green have both served as consultants to the United Nations Institute for Namibia and to SWAPO, the views represented here are those of the authors and not necessarily those of UNIN or of SWAPO.

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POLITICAL ECONOMY AND STRUCTURAL CHANGE:  
NAMIBIA AT INDEPENDENCE

Caroline Allison and Reginald Herbold Green

We do not believe in a system that sells people.

- Katatura Strikers

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

- President Sam Nujoma

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.

- President J. K. Nyerere

Economics and Political Economy

Within economics most writing about the current economic malaise in sub-Saharan Africa (SSA) and strategies to overcome it falls under the umbrella of applied economics and lacks pure or even much general economic theory. Applied economics in the strict sense of the term, i.e. economic analysis which is prepared to influence and inform economic decisions and to be embodied in those which are acted upon is, or should be, rooted in political economy.

Political economy, properly understood, should not be used to cover up unwarranted incursions of political influences into the working out of 'pure' economics, nor viewed merely as piecemeal recognition of the ways in which economic structures and processes affect political decisions and directions. Adam Smith, David Ricardo, Karl Marx and John Maynard Keynes all saw themselves as political economists and their perception was correct. Each sought to work out the application of economic analysis within concrete historic, material, social and political contexts and with the intention of furthering certain goals and values which were believed to be of importance.

Political economic analysis does not exist outside a specific contextual framework. It is rarely value free or unconstrained and political economic processes are never so. Plausible applied political economy developed from a planning and policy perspective requires consideration of a particular actor, or groups of actors (class, sub-class, corporation, interest group) and their values, objectives, strengths and limitations. It further requires a set of data and assumptions about the context and parameters (including that of history) which influence the way applied analysis operates. Values and objectives are critical. Men and women make history and their decisions are crucial to its making, as are the objective contexts, limitations and strengths within and subject to which they act. People cannot make history of their choosing, however: there are limits to what is possible. But what is possible is significantly influenced by the degree and success of popular participation and mobilisation. Without the full and active backing of a majority any political institution involved in economic decision making will quickly slide into sectional and minority representation at best and oblivion at worst. The chief purpose of applied political economy is to relate contexts and constraints to goals and resources with a view to informing decisions in such a way as to increase the probability that available degrees of freedom will be used and that damaging, unfulfillable ones will be avoided by those in control of the decision-making process. The risks of these negative developments occurring in practice are greatly diminished, if the transmission belt between leaders and led - in both directions - runs smoothly and those responsible for taking and implementing decisions are aware of what is needed, desired and possible on the ground.

It is largely irrelevant whether the involvement of values, objectives, contexts and actors other than pure 'economic' men and women is pleasing to economists or technocrats, or whether they complicate the formulation of relevant information, analysis and advice. To many these are unwelcome considerations and in virtually all cases they introduce complications, but to ignore such realities is to pull out of the race before it has even begun. To argue that the principles of scarcity and its application in terms of supply, demand, prices, rationing, markets, exchange rates, etc. can be suspended is incorrect. It is equally incorrect to assume that the ways in which the principles of scarcity operate and the decisions which are, or can be, taken in relation to them are independent of social and political realities. To interpret or to influence a situation one needs to know and to understand its political, economic and social parameters.

## The Case For Political Economy

To ignore the subjective dimensions of economic structures, processes, and policies leads either to rejection of initial advice with subsequent decisions which are uninformed by economic analysis or to initial acceptance followed by serious problems at the policy implementation stage. For example, to advise a government committed to the goals of increased social equality to undertake large devaluations and small wage increases is likely to be unacceptable if economic analysis suggests that this policy would increase the cost of living dramatically and decrease real consumption power considerably for low income groups. Similarly, an integrated rural development project designed by external agencies to raise peasant incomes and alter their production patterns may not produce the intended results. Those in control of the state apparatus may have conflicting and significantly different interests at heart. Thus they may take decisions in respect of prices and institutions relevant to achieving this which are incompatible with the objectives of increased peasant production, output and incomes. Effective economic policy and strategy must thus by definition be developed in political and social context.

Further, to ignore the political economic aspects of applied economics very often prevents rational analysis of why certain decisions have been taken and under what conditions which alternative decisions might be taken - with what probable results. Much analysis conducted by international agencies of urban problems, for example, demonstrates that certain policy and institutional patterns have a negative impact on GDP and on the urban poor compared to alternatives which are technically feasible given available resources.<sup>1/</sup> Serious examination of policy formation will usually show that specific groups (dominant members of the state apparatus, landlords, managers, bureaucrats and/or favoured businessmen) do benefit in quite specific and tangible ways. To identify feasible changes requires starting from that base and identifying both how the proposed changes would affect present beneficiaries and what ability those who benefit have to influence decisions and - even more important - their implementation.

It is just as possible to take the political content out of political economy as it is to dehydrate water. The question is whether the result is of any greater utility. To give an example: the technical side of an urban water supply scheme, say for Windhoek (the capital city of Namibia), cannot be designed properly without data on the physical and technological context. In this case the limited overall water resources of Namibia and the long distance between permanent rivers or even suitable large dam sites and Windhoek pose severe constraints. Similarly schemes for allocating urban water including the priority to be given to standpipes in low income areas; the overall rate of return targeted for urban

water; the balance of charges among different categories of users cannot be designed satisfactorily without information about water use or users.

While the political economy of structural change and liberation in Namibia over the 18-36 months beginning at its independence is not typical of other SSA states, in many respects the problems confronting Namibian decision takers will be only too similar to those faced by other countries in the region. These range from an unsatisfactory domestic fiscal base to scarcity of skilled personnel, inadequate food production and widespread malnutrition - problems which have become entrenched in particular ways as a result of South African colonial rule and the policy of apartheid and racial segregation.

The following examination of possible structural change in Namibia on independence seeks to outline the main elements in a SWAPO directed political economy of transition and some of the issues these raise. The basic positions used to articulate issues are those contained in the 1976 Political Programme and in To Be Born A Nation (SWAPO, 1976, 1981). The period covered runs from the present up until the first two years of independence. The basic assumptions are:

1. Namibia will become independent within the foreseeable future (18-60 months). If not, the agenda has to be completely revised. Such revisions have already been demanded a number of times over the past half dozen years. For example, the labour situation differs so much now from 1977 that certain constraints assumed then no longer apply (UNIN 1977). Similarly the rapid emergence of a new black middle class since 1978 and its political expression within the Multi-Party Council (MPC)<sup>2/</sup> has significantly changed both the pattern of income distribution within the black community and the political context. If this system turns out to be significantly different - in terms of support and policy orientation - to the Democratic Turnhalle Alliance (DTA) this will necessitate profound revision.
2. There will be a negotiated, not a purely military transition. This is a necessary corollary of the first assumption and has basic implications for the state of the productive base (in material, personnel and institutional terms);
3. The government of an independent Namibia will be formed by SWAPO not by coalition of internal parties and factions as South Africa has sought. Otherwise, most of the assumed strategic goals will need to be re-examined in terms of the dominant coalition whether in party, interest group or class terms;
4. An independent government formed by SWAPO will be strongly

committed to the creation of a society free from all forms of inequality and injustice, its actions being informed by the fundamentally egalitarian principles expressed in its political programme and constitution (SWAPO 1976, 1983). Any change in this position will also necessitate an adjustment to the agenda;

5. There will not be an active war on the Orange River which borders Namibia and the Republic. The scenario for a siege economy with the diamond mine at Oranjemund (upon which much of state revenue will depend) permanently non-operational would be quite different (CIIR 1983);
6. South Africa will continue to hold the deep water harbour, Walvis Bay (Moorsom 1984), after independence. Combined with 3 above this puts the creation of an alternative port at the top of the agenda;
7. The territorial economy will be depressed but functioning. This follows from the first two assumptions and defines the broad productive constraints and possibilities. It also determines to a degree priorities which would differ significantly were SWAPO to inherit the colonial economy of 1977.<sup>3/</sup> in full swing or an economic wasteland in which almost nothing was operating in a fashion amenable to economic analysis or management (as in Uganda in 1979 and again in 1985);
8. There will be a rapid and significant exodus of Europeans especially expatriates (as opposed to 'Sud Westers'), Afrikaners and public sector personnel, but not an immediate tidal wave. In qualitative terms the exodus is likely to be greater and more rapid than in Zimbabwe but smaller and less rapid than in Mozambique after independence. The limits of what can and cannot be kept running and/or expanded and of what must be transformed or abandoned, depend crucially on this assumption as do the means by and speed with which this can be done;
9. The so-called 'external debt' issued by the South African appointed Administrator General will not be accepted as a liability of the independent state.<sup>4/</sup> As the amount of such 'debt' issued by independence could well be approximate to the national product, and 'debt service' on it would in that case drain off 50 per cent of exports and domestic tax revenue, this assumption has massive implications for Namibia's external account position and for 'room for manoeuvre' in terms of the government budget;
10. Economic relations with South Africa will be poor, but an immediate or total rupture is unlikely.



## Information as an Input into Sequence and Priority Selection

As in many other newly independent states, the political economic transition in Namibia will be characterised by the shortage of most resources, including data, established analytical frameworks, analytical capacity and senior decision making power. These shortages, however, will be uneven and, indeed, there will be some surpluses, notably of unskilled labour power and (potentially) of beef. These imbalances arise from the distorted structure of the colonial economy including its dependence on cheap black labour and beef exports as well as from the fact that structural transmission by definition alters the balance of resources required more rapidly than it does the supply available. Identifying priorities and subsequent action will therefore be critical, and the resources each step requires will need to be determined on the basis of relative availability.

Planning and policy formulation include several sets of interactions and tensions. These are probably best viewed as dialectical relationships and as processes rather than actions which can be taken once and for all without longer term implications.

The elaboration of strategic issues is a precondition for establishing, articulating and implementing macro and micro ones. For example, it is impossible beyond a certain point to define micro policies that should be pursued by Namibia in relation to the EEC, or sectoral ones concerning the development of personpower without facing the question as to what strategic production structures and relationships are feasibly sought.

Without knowledge of what exists and what is attainable at the micro and sectoral level the mega strategic level will remain ill defined, full of gaps and non operational. Much work on Namibia undertaken from a broadly historical materialist perspective is open to criticism as being too theoretical, inadequately founded in empirical reality and overly prone to unfounded generalisation. Equally, detailed technical, organisational and managerial data on most economic sectors, institutions and enterprises are grossly deficient; a deficiency only partly alleviated by the United Nations Institute for Namibia's comprehensive survey Namibia: Perspectives For National Reconstruction And Development (UNIN 1985).

## An Overview of the Contemporary Namibian Economy

Namibia's economy (Green 1984) is based on cattle, sheep, fish, copper-lead-zinc, diamonds and uranium oxide, which together account for about a third of output. In addition, the processing of these resources is central to manufacturing and they consume a major share of non-governmental services.

Most other non-governmental production and expenditure is based on incomes generated in the core productive sectors and related sectors which depend on these for inputs or direct sales.

In 1983 distribution of GDP looked less skewed than in 1977 when the core sectors accounted directly for about 50 per cent of GDP. This appearance is partly deceptive, however, and arises from the rapid contraction of the core sectors rather than the expansion of other sectors. Declines in domestic output are at one level a reflection of worsening external terms of trade. In addition, real output has fallen considerably, especially in agriculture, fishing and mining. The highly non-integrated nature of the Namibian economy is illustrated by its external trade statistics. Exports of goods and services in 1983 comprised about 50 per cent of GDP, whereas imports comprised about 60 per cent of total domestic production. In short, Namibia remains a stereotype of an economy which produces what it does not use and uses what it does not produce.

In 1977 income in Namibia was possibly the most unequally distributed in the world. By 1983 inequality had lessened somewhat, particularly on racial grounds, but differentials between white and black household incomes and, since the late 1970s the rapidly growing gap within the black community are stark (Allison 1983). The basic cause of inequality is the logic or illogic of apartheid (including privileged access to skills, jobs, capital and other resources). Inequality within the black community results from both sexual discrimination (e.g. the exclusion of women from employment in key sectors) and South Africa's strategy of seeking to co-opt black support in its endeavours to impose a neocolonial, non-SWAPO independence solution. This strategy is being pursued - with some differences in form, content and objectives - by the occupation regime and by large TNCs.

In 1983/84 central government expenditure comprised over 55 per cent of official GDP estimates, or just under 60 per cent of adjusted GDP estimates, which is astoundingly high for an SSA economy and is not sustainable from Namibian production. The pattern of expenditure is, furthermore, highly unusual in the sense that over 40 per cent is spent on administration (narrowly defined), approximately 20 per cent on fiscal administration, subsidies and debt service and up to 15 per cent on that portion of RSA expenditure on defence and police in Namibia which is charged to the Namibian, as opposed to the South African, budget. Social and economic services appear to account for little more than 30 per cent of total government spending. Wages and salaries in the government sector account for about 60 per cent of non-capital spending which is very high compared to other SSA countries. This pattern is largely explained by large transfers to the ethnic authorities in the so-called tribal homelands, and more basically by high wages and salaries relative to GDP per capita paid to public sector

employees. Each illustrates the seriousness with which South Africa is attempting co-optation of a black 'middle class'.

Revenue from domestic sources in 1983/84 was approximately 37 per cent of GDP leaving a large deficit (about 25 per cent of GDP) to be financed by transfers and loans from the Republic. To exacerbate matters further the Namibian economy has been grossly mismanaged in both fiscal and resource terms. In large part this is due to the emphasis placed on political imperatives designed to maintain the status quo. Private enterprise investment has declined significantly since the late 1970s because of extreme lack of confidence in the future of the territorial economy, war, uncertainty, and the fiscal policies pursued by the occupation authorities in respect to export-oriented primary production.

The vulnerability of the Namibian economy to external economic shocks and economic mismanagement was starkly apparent in 1985. A seven year drought was only just coming to an end; fish stocks had collapsed; diamond prices had been sustained at the cost of a 50 per cent cut in output; export prices were poor with the exception of karakul which had recovered somewhat recently; the fiscal position, administration and public services were in a shambles.

Many of Namibia's domestic problems can be (indeed can only be) solved or lessened by peace and independence, prudent fiscal management and a coherent strategy for rehabilitation and development. Against this backcloth, one short and medium run strategic goal to emerge is the loosening of constraints to create greater room for manoeuvre.

The foregoing sketch of the present economic conditions provides a foundation from which to review:

- a. the main themes in SWAPO's political economy of liberation;
- b. certain objective constraints or parameters limiting transitional action and achievement;
- c. notes on defining some priorities;
- d. a detailed examination of one key topic often overshadowed by others, namely women's access to waged employment;
- e. contingency planning with special reference to destabilisation.

#### SWAPO: Towards a Political Economy of Liberation

The South West African Peoples Organisation (SWAPO of Namibia) was formally constituted in 1960, marking a turning point in the history of Namibian resistance. During the 1940s and

early 1950s this had been essentially fragmented and sectional in focus. After a transitional period when attempts were made to look beyond petitioning the United Nations for trusteeship status for Namibia and develop a more coherent organisational framework through which demands could be channelled, various politico-cultural and labour organisations sprung up, raising a number of substantive issues later to form part of the SWAPO Political Programme (Manning and Green 1986).

From its inception SWAPO's central objective has been to liberate the Namibian people from colonialism. To that end its organisational framework was developed nationally to transform grievances and aspirations into political commitment. With the massive increase in Namibians forced into exile, a Consultative Congress held in 1969 at Tanga, Tanzania resulted in the formation of a number of broad based organisational wings to deal with matters relating to youth, women, elders and the military.

In 1976 a revised constitution (amended 1983) and political programme were adopted defining more precisely the goals of the national liberation movement and principles upon which it is founded. Broad though these are they have, together with the creation of various departments concerned with, for example, economics, labour, health and social welfare, education and culture, profoundly influenced thinking on future strategy, preparatory planning and training.

SWAPO has emphasised seven broad themes:

1. ownership patterns;
2. rural development;
3. distribution;
4. national economic integration/self-reliance;
5. external economic relations;
6. basic services;
7. participation.

A major goal is to create a society founded on the basic socialist principles of equality and justice. This is seen to involve: 'Bringing all the major means of production and exchange into the ownership of the people'; 'planning and development will be covered by the principles of scientific socialism' (SWAPO 1976). The course of transition is seen necessarily in terms of phases. Initially the public sector is seen implicitly to embrace land, mineral and fishing rights, public utilities, ex-South African state companies and some key enterprises as well as abandoned enterprises. These could well add up to 90% of infrastructural and over half of

directly productive capital stock. State, cooperative, joint venture and private ownership are envisaged as continuing over an extended period. A national planning framework and negotiated agreements (including joint ventures) are seen as instruments to ensure consistency between the interests of the people and economic development. In respect to the crucial mining sector, Botswana has been cited as a relevant example.

'Comprehensive agrarian reforms aimed at giving the land to the tillers' (SWAPO 1976) are seen as pre-conditions of rural development. Colonial land use 'rights' are to be extinguished and continued use of part of the land by European and non-white Namibian ranchers is to be a subject of negotiation. Peasant cooperatives, worker self-management units and state farms are cited as possible organisational forms (UNIN 1979b, 1984). More knowledge, production inputs and industries linked to agriculture (to process outputs and produce inputs) are seen as means of increasing output. Achieving self sufficiency in food and increasing the productivity and incomes of the rural population to acceptable levels are key goals.

'The abolition of all forms of exploitation...' is linked both to the transition to socialism and to enhanced equality. Urban/rural, regional equality, equality between the sexes and the different ethnic groups comprising Namibian society are specifically cited in the constitution (SWAPO 1983). The abolition of the 'contract' labour system, child labour, 'humiliating servant systems' are seen as part of the process both of combatting racial oppression and exploitation and reunifying the family torn apart by repressive labour arrangements (Allison 1983). The establishment of non-discriminatory wage and salary scales, a labour organisation and strong, independent trade unions are presented (inter alia) as means of achieving equitable wages and the participation of workers in management. The degree of equality sought and the pace at which inequality is to be reduced are necessarily imprecise: 'payment according to ones contribution' within a transition to socialism and linked in opposition to urban/rural inequality indicate direction but neither speed nor point of arrival.

National economic integration and self-reliance are presented as integral to national development. Equality in access to employment, reduction of inequalities, abolition of the 'contract' labour system, provision of education and training are viewed as economic instruments as well as broader components of creating 'One Namibia, One Nation'. Public sector control over finance, external trade and the exploitation of natural resources and increased participation in their management and ownership are viewed as means of restructuring the economy. Target areas include the development of natural resource based industries, increased production of inputs (e.g. agriculture/construction/spares and heavy maintenance) for existing key sectors/enterprises and

agricultural selfsufficiency. This approach is perceived by SWAPO as consistent with maintaining or increasing export production, provided there is greater local use of meat, milk, fish, fishmeal and some shift from animal husbandry to crops (UNIN 1984). It is seen as a means of altering the allocation of foreign exchange, public revenue and investible surpluses derived from exports in order to restructure the domestic economy in a more integrated and equitable way.

External economic relations are seen to be subordinate to and consequential on basic goals, but are recognised as critical to achieving these. Reduction of linkages with South Africa (implicitly largely via diversifying trade, personnel, knowledge and sources of finance) and the systematic construction of interdependent regional linkages - including accession to Southern African Development Coordination Conference (SADCC) membership - are clearly underlined as objectives.

The provision of basic services is presented largely in terms of increasing access to and improving the quality of health and education, with some attention to water. Consideration of urban services has only just begun surprisingly given the massive population shifts likely to follow from the abolition of the contract labour system (UNIN 1977, Iivula-Kaulinge and Allison 1984). The emphasis within health and education is on the development of a broad base (e.g. preventative and primary health care; universal literacy and primary education) plus the development of specific skills and knowledge. European models are rejected on the grounds that in low income countries they tend to be elitist, inefficient or both (UNIN 1984b,c). Programmes in these two areas are well articulated due to SWAPO's substantial operational experience in their provision to the 80,000 or so Namibians living in exile in Angola and Zambia. However, the attempt to avoid elitism and maintain standards by stressing both high quality and broad access by for example, rapid movement to universal form four education, effective primary teaching in both the mother tongue and national (English) language, may not be viable immediately because of their resource implications in terms of both personnel and finance.

Participation is posited both as a means to and as a goal of economic reconstruction. This will involve trade unions and worker self management, a women's organisation, effective involvement of the Namibian people in government, implicitly through decentralisation (a term not used because of the danger of confusion with the occupation regime's 'fragmentation' system), and more explicitly through the broad based creation of popular organisations. Cooperatives, community and voluntary (basically church) action are cited as among the means which could be used to increase participation. As regards the role of SWAPO, the aim is: 'To unite all Namibian people... into a vanguard Party', a mass based party led by an informed, democratic and receptive

leadership. This implies a certain tension between broad participation and elite leadership, a tension which experience in Angola, Mozambique, Tanzania and Zimbabwe suggests is hard to resolve constructively without sacrificing either participation and accountability or a coherent sense of direction and credibility. Much would seem to depend, however, on the nature of representation and on the precise composition, in terms of orientation, interests and leadership capacity of those placed in positions of authority. Increased and more equitable economic and political participation of all social groups will also be crucial.

Viewed as a whole, five points stand out:

1. Economic and political relations are seen in terms of struggle, with the state as an instrument in that struggle not as a neutral mediator and coordinator when it comes to the allocation of power, political and economic participation, and the ability to earn and/or receive income;
2. Liberation is perceived to require initial as well as medium and longer term radical changes in the structure of production, distribution and ownership of resources;
3. However, some overlap of interests among classes/interest groups is seen to be likely and therefore negotiated agreements and phased change are possibilities in respect to many issues;
4. The magnitude of the allocational implications certain goals (e.g. 'ending contract', challenging inequality; terminating South African links; solving interim personnel/institutional problems) need to be more fully comprehended, or at any rate articulated, than is the case at present;
5. Overall the major elements of the Programme are objectively feasible assuming careful management of phasing and effective economic management (especially with respect to limiting the allocation of resources to low priority areas), provided exogenous catastrophes are limited in number and effect. Possible catastrophes of this type could include another seven-year drought, a further collapse of metal, energy, and the diamond markets, or recurrent RSA economic destabilisation, sabotage and/or invasion.

#### Transition Under Constraint

The political economy of transition in Namibia will take place under severe constraints. First, the fiscal position is in a shambles thanks to depression, war, drought, the creation of 'tribal homelands' and gross mismanagement. Creating workable

means to deal with tax, tax collection, budgetary expenditure management, economic analysis and related institutions, including a strong Treasury/Economic Affairs ministry and a strong Central Bank, is an immediate priority which needs to be planned before and implemented at independence.

Second, the current system of administration and public services provision is obnoxious and will be obsolete at independence. It is also inefficient both in delivering services and in controlling their cost and, as investigations undertaken by the regime indicate, is corrupt. Total restructuring is needed in order to reallocate resources away from the model of high quality/narrow access to one of high quality and broad access, while at the same time avoiding a breakdown in the provision of a number of vital services to health, education and agriculture. Given the large number of Namibians now participating in and the larger numbers excluded from and by this system however, such restructuring will have broader implications than those of efficiency alone.

Third, directly productive sectors (and their supporting infrastructure) are already in poor shape and will be further weakened by the departure of whites, accompanied by de facto sabotage in the removal of portable assets; the non-maintenance of fixed productive and infrastructural assets; and uncertainty characterising the immediate pre- and post-independence years. This is especially true of the ranching and fishing sectors. Avoiding collapse is a top priority for rural income and food supply as well as being vital to the flow of foreign exchange.

Fourth, transport will be in a state of near chaos. The main port is likely to have been 'lost' for the time being (by South African forces remaining there after independence), access to basic railway maintenance facilities is likely to be halted, much of the rail and road haulage fleet will probably have 'expatriated itself'. Negotiating interim measures for alternative port facilities, enhancing maintenance capacity for railways, lorries and the replacement of road/rail equipment are top priorities before independence as is their implementation at independence.

Fifth, the loss of skilled, professional and managerial personnel will be severe, although it is not possible to calculate exactly how severe with any precision. Of 35-40,000 white workers more than 15,000 are very unlikely to remain six to twelve months after independence. Planning the allocation of trained Namibians between sectors; identifying and designing upgrading courses to allow Namibians to replace middle level Europeans; and locating external sources for specific groups of key personnel are high priorities.

Sixth, existing institutional and data bases are inadequate. The former are inappropriate because of their concentration on production units owned by the white population, settlers and



foreign firms and their deliberate attempt to fragment black Namibians and limit their economic participation. They also suffer from gaps. Identification of key requirements in terms of institutions, current data and research based data as well as priorities for action are especially important even where (as with northern agriculture) major results cannot be expected until three to five years after data collection and research are begun.

A special problem relates to the period between the election of a constitutional assembly and independence (UNIN 1979). An executive and legislative gap would appear to exist during which severe worsening of the economic position is likely. Some institutional device to give interim legislative and limited executive powers of appointment/supervision to the constitutional assembly would appear to be a priority.

Seventh, as discussed above the economy is very open. In this context the management of external transactions is both critical and difficult. This is especially true, first, in the absence of Namibian based recording or control institutions. At present trade, customs and exchange control institutions and data bases for Namibia are located in South Africa, not in Namibia. Second, given the lack of import/export enterprises which are genuinely world oriented rather than being either branches of in house companies or oriented solely to dealings with RSA, redirection of trade will pose operational and efficiency problems.

Eighth, the South African regime and mining companies have between them fostered the creation of a black middle class. This comprises approximately 30,000 to 40,000 households (10-20 per cent of all households) earning R3,600-12,000. Many of its members occupy critical middle level positions. Generalising these high pay scales would be economic suicide. Even limiting them to present categories of post would pose severe fiscal barriers to the expansion of government services and make a mockery of SWAPO's commitment to equality. Cutting high salaries would have heavy political costs, especially if this were done through open salary cuts as opposed to a combination of inflation, devaluation and freezing present rates.

Limiting the spread effects of these scales, for example, by maintaining them for serving officers and introducing lower scales for new entrants (as some SSA states have done at independence) without creating vehement discontent, especially among liberation war combatants, would also be difficult. Real options will be determined by the means through which a SWAPO government comes to power; its political strength and backing; and the extent to which the so-called black middle class is able to consolidate its economic and political position in the interim to independence. At present it is highly fragmented and its survival and growth depends on continued South African rule and support.

Finally, since the late 1970s mass participation in liberation politics has been increasingly hampered by a vast plethora of laws and legal restrictions on free association, public meetings, membership of SWAPO and the detention, intimidation and death of many SWAPO supporters and sympathisers (Allison 1985). Apart from activities within the church communities many Namibians have little experience of grass-roots organisation and participation.

### Priorities - A Note

One group of priorities concerns keeping going the three main mines, water supply, power production and distribution, key enterprises (e.g. the main commercial banks, meat packing plants and petroleum distributors) and agricultural support services for the ranching sector. Unless this objective is realised, foreign earnings, government revenue and investible surplus will be lost along with import capacity, means to expand and restructure public services and productive capacity. In Windhoek power and water failure would literally mean that the lights would go out and cholera would come in.

A policy of keeping going does not, however, preclude change. For example, the terms for tax, ownership, valuation, training and local purchases similar to those set by the Botswana government for a joint venture Namibian Diamond Mines (as a successor to Consolidated Diamond Mines) are feasible within this constraint. It would also represent a major shift in the distribution of economic surplus and increase the potential for Namibians to participate in and exercise control over the diamond sector at all levels.

In some cases both prompt and radical change is demanded, for example, rapid upgrading of Namibian personnel and the recruitment of expatriates to replace departing whites whose positions cannot be immediately Namibianised. The need to avoid breakdown should be a major priority. Most measures which are not essential to maintaining production would need to be phased for urgent attention after the basis for this has been secured.

A parallel group of priorities concerns reconstruction. These are particularly important in respect to revenue collection and budgeting; the structure and organisation of public administration; the key targets, patterns of service and allocation of funds to education and health; the operation of that portion (probably one to two thirds) of the ranching sector abandoned at or soon after independence; the core of the fishing industry operating or operable from Luderitz Moorsom 1984b). Until the first two steps are taken the government will not be able to function effectively in pursuit of any policies. The next two steps are critical to providing tangible, early benefits from independence, especially in

rural areas, and to develop skills and productivity. The ranches are critical to the livelihoods of many rural dwellers and food production. An 'easy' solution of creating state farms run by 'white experts' would probably be a productive as well as a political disaster. A small number of these farms could be run by Namibians with practical experience if rapid skill-upgrading programmes were introduced. Fishing is a lower priority than others until a series of low catch seasons allows stock rebuilding, but is critical in employment and income terms to a significant number of people, especially within the Luderitz area.

A third group of priorities is to establish or develop new institutions and sectoral strategies and to replace those which are unacceptable to the new government. Key items include a port - probably at or near Swakopmund - to replace Walvis Bay plus a Namibian based railway, the development of capacity geared to lorry maintenance and the replacement of railway rolling stock/road transport fleet; the creation of a central bank; increased capacity to monitor export-import trade and enterprise (whether public, joint venture or private) independent of RSA; systematic development of job skills and introduction of the national language; crop research plus marketing, pricing and support services for small farms; channels (in enterprises, government, etc.) to enhance the participation of workers, women, peasants and citizens generally.

Until Namibia has possession of a functioning deep water port capable of handling the bulk of its external trade, South Africa can turn the Namibian economy off as fast, as much and as often as it pleases, just like a tap. A central bank is essential to enhance Namibian control over finance and external transactions, and by implication, for serious economic management. Reducing dependence on South Africa requires the capacity to identify appropriate alternative sources, markets and prices. Without rapid development of skills and the national language Namibia will remain heavily dependent on foreign personnel and limited in its ability to communicate externally or nationally. In order to avoid near depopulation of the rural north and mass overloading of urban housing, public services and informal sector immediate action to raise both rural incomes and rural access to basic services is critical. It will also be necessary to begin to reduce urban/rural inequality by raising rural standards of living. Participation is directly related to economic efficiency and is also critical to sustained mobilisation necessary to reach the political economic goals set by SWAPO. It will also be needed to defend the transition to new socioeconomic and political forms from sabotage by the sub-classes and interest groups (domestic and external) who will perceive this process as threatening their interests.

The foregoing is not a complete list, but some omissions are deliberate. For example, the immediate creation of a Namibian

university is not a priority although the acquisition of selected research/knowledge and specialised education/training within Namibia and from abroad is. It would probably not be possible to accomplish the former anyway except as a pure import run by expatriate Platonic guardians with little in the way of guidelines, monitoring or control until at least two years after independence.

Certain strategic and policy priorities do not fit neatly into any one group.

- a. As regards ownership, key questions are which assets should be acquired, when, how, why, on what terms, with what new ownership and operating structures? For example, should the mines established after 1966 <sup>5/</sup> be acquired soon after independence? What kind of management could be put in place of that which exists? Should improvements on ranches and to livestock be purchased at market value to limit 'expatriation' and sabotage?
- b. In respect to external economic links the question needs to be raised as to how the objective of building regional links (e.g. the development of the Trans Kalahari railway to tie in to SADCC markets) is to be achieved; as do the necessary steps to ensure ACP accession to secure a beef quota; the pros and cons of IMF/IBRD membership; the timing of a withdrawal from the Rand Monetary Area and South African Customs Union Arrangements.
- c. Precise patterns of population movement, both as they relate to the demand for urban services and employment and to the possibility of achieving increases in rural reconstruction and productivity, are difficult to predict accurately. There could be either no change or an exodus akin to a tidal wave, both of which would prejudice rural reconstruction. Policies to influence patterns and accommodate them are clearly needed, however.
- d. Policies on income and employment/self employment, including wage, salary, fringe benefit, producer price (e.g. to peasants and ranchers) and user price policies will be crucial. The same holds true for research backed by incentives to increase productivity in labour intensive sectors of the economy and to provide new productive employment or self employment. This will be particularly important for ex-domestic employees who lose their jobs, as well as for women who leave sub-sistence plots in rural areas and move to other sectors and areas as a result of the reunification of households made possible by the ending of the 'contract' labour system and the war.
- e. Last, but not least important, is the need for policy designed to retain expatriates/settlers whose managerial, professional and artisanal skills are critical for as long as these are needed, since they are both less costly and

more relevant than those of replacement expatriates would be. A practicable course to encourage white Namibians to remain in the country will need to be mapped out accordingly. The creation of a horrendously inegalitarian income structure by using the white going rate for all middle and upper level personnel should be avoided, as should the perpetuation of differential remuneration packages based on racial criteria. But immediate equalisation of rates for the job and reduction of inequalities among different jobs by massive cuts in existing salary and professional incomes would lead to massive, premature emigration.

One issue which will be of critical importance to the goals of economic development in all sectors and enhanced equality and participation is Women's Participation in Waged Employment. This question has been singled out for deeper consideration since it is important in its own right and warrants attention to counteract the tendency for women either to be treated as 'invisible' or to be slotted into a segregated sidestream of 'women's issues' (Allison 1979).

Issues relating to women's participation in the political economy of transition in Namibia are much wider than waged employment. General issues concerning the access to employment and income, degree of participation and status of the over 750,000 Namibian women - who constitute the majority of the population - are very real. We concentrate here, however, on the question of women's present and future access to waged employment. Currently some 100,000 women are in waged employment and after independence there will be large numbers of women seeking work, including those at present un- or underemployed, and those uprooted from their homes as a result of the reunification of families.

SWAPO certainly perceives the roles, participation and status of women as important. It has demonstrated the reality of its concern by achieving higher proportions of women in its senior political, administrative, services and military posts than any independent African government. At least 40 per cent of those selected for secondary and tertiary education are women. Indeed, women constitute a majority among those enrolled at the UN Institute for Namibia. By creating the SWAPO Women's Council (SWC) as a mass organisation run by and for Namibian women, an organisational framework for enhanced equality has been provided. However, in respect to waged employment the formulation of detailed proposals, apart from the removal of discrimination on the basis of sex, has only recently begun (see Iivula-Kaulinge and Allison 1985).

The following exploration, therefore, consists of setting out some starting points and identifying some constraints flowing from the present pattern of women's participation in waged employment. It is followed by a series of questions which will need to be answered - politically as well as technically

- before operational policies can be formulated and implemented.

### Women's Waged Employment in Occupied Namibia

Women's opportunities for waged employment are limited geographically and by type of job. Those which exist are concentrated in urban centres and areas of white settlement, predominantly within the so called Police Zone. There are virtually none in the 'tribal homelands' and 'reserves', except those furnished by the government administration, schools, clinics, and by a few bottle and provisions stores.

Of an estimated 85,000-100,000 women currently engaged in waged employment nearly two thirds are confined to domestic service. The remainder lack much formal education or training, and occupy menial jobs in shops, offices and factories. Female domestic servants are employed predominantly in private white households, as opposed to in the enterprise sector which employs greater numbers of men. Conditions of service are universally poor, but are marginally better in the enterprise than in the household sector. Precise male-female wage differentials are difficult to gauge, but there is evidence to suggest that male workers are paid slightly more than women irrespective of tasks performed. Some regional variation in wage levels is apparent in that women employed in Windhoek earn more than those elsewhere in the country (Rand 50-60 per month as compared to Rand 30-50 per month). Women working in more than one household also earn marginally more per month than those with a single employer, and work slightly shorter hours. Maternity leave and sick pay are an exception rather than the rule and conditions of employment depend largely on the disposition of the individual employer.

Women domestic workers are treated for all intents and purposes as single women without dependents, despite the fact that the vast majority have large families to support. Fear of being rendered unemployed in a situation of massive unemployment poses a real threat, particularly to women with known political records or connections. Although under existing circumstances it is extremely difficult for women to organise themselves politically, female domestic workers are among those most active in arranging informal meetings under the umbrella of the SWC in their urban 'location' homes.

Shop and office work, which in the past was reserved exclusively for white and 'coloured' women, has recently incorporated black Namibian women. It is predominantly younger, unmarried women who are employed in the retail sector. The practice of shopkeepers and businessmen hiring girls to live and work on the premises as concubines is fairly widespread. Conditions of employment vary: women employed on cosmetics counters in larger stores earn Rand 100-120 per

month, those stacking shelves in supermarkets approximately Rand 50 per month. Irrespective of education, skills and training the majority of black women employed in offices work as 'Girl Fridays'. Wages average Rand 200-250 per month, which compares favourably with other African countries, but white workers earn substantially more. In theory paid holiday, sick leave and maternity leave are given, but in practice taking time off work often results in replacement.

In the manufacturing sector women's participation is confined almost solely to food processing and garment manufacturing. In factories which employ both women and men, the former are frequently restricted to the least skilled, most poorly paid jobs. In fish processing factories, for example, women are concentrated in the gutting, cleaning and packaging of fish, while male workers perform machine and general maintenance and jobs which require heavy lifting. In the clothing industry women are engaged in the sewing and finishing departments, while tailoring and cutting cloth to pattern is reserved for men because they are seen to require more skill. Wages vary widely - especially as piece work and seasonal employment patterns are common - but are largely in the R75 to R300 a month range.

Women are not employed in the mining sector, which provides a substantial source of relatively well remunerated employment for male workers, except in an ancillary capacity in some of the smaller mines. Nor are they employed in the construction sector which affords another major source - in some areas of the country the only substantial source - of male employment.

Although unemployment among women is high, there is some evidence to suggest that the effects of the current international recession and domestic economic chaos created by war and economic mismanagement have been less acutely felt by women than men in some branches and sectors of the economy (e.g. domestic service, garment manufacturing). On the other hand the collapse of the fishing industry has had a very adverse effect on female employment in food processing.

Relaxed restrictions on geographical mobility mean that an increasing number of women unable to survive in the 'reserves' and 'tribal homelands' are moving to urban centres in search of waged employment. The number of job seekers, however, far exceeds that of jobs and for those without resources or relatives extended unemployment is inconsistent with physical survival. Many women living in urban areas are confined to a wide range of petty income generating activities on the fringes of the informal sector, such as beer bottling/brewing, baking cakes and other foodstuffs for sale, basket/doll/bedspread making, depending on skills and availability of cash necessary for initial investments in ingredients and materials. Street marketing is illegal and heavy penalties are levied against those who engage in it. In towns such as Oshakati large market places have sprung up, but

the authorities refuse to provide market women even basic shelters despite pressure from a local women's association. Prostitution has increased considerably in recent years and even larger numbers of women depend on cash and gifts provided by 'boyfriends'.

Education and training have become increasingly important in determining women's access to waged/salaried employment. In fact a higher proportion of women than men in waged employment are in posts paying over R300 a month, and the dominance of women in nursing and primary school teaching results in the majority of black Namibian employees officially categorised as professional being women. Most of these require complete primary and usually some further education. The vast majority of women with secondary/post secondary education are confined to the health, education and government administration sectors of the economy. For example, women who have studied to university level in South Africa or elsewhere rarely have the opportunity to put their skills into practice or to obtain further training in their specialised fields because of the dual bias which acts against them - their colour combined with role stereotyping of innate feminine capabilities. There are far fewer women than men in receipt of scholarships for post-secondary education outside Namibia due to TNC involvement in this sphere and gender bias. Combined with stereotyping this consolidates the status quo of women professionals being virtually confined to nursing, teacher and personal secretarial posts.

In its attempts to foster the growth of a black middle class the government has given government employees (a significant proportion of whom are women) substantial privileges in terms of salaries, housing and various additional perks. Despite this, female teachers confront many forms of sexual discrimination. They are, for example, concentrated in the teaching of younger children or of subjects which require additional work outside the classroom. Although the combined effects of war and the contract labour system mean that there are some highly paid (e.g. over Rand 1,000 per month) women principals in northern Namibia, elsewhere there are few women occupying senior positions in the school hierarchy. In addition, women teachers, unlike men, have to reapply for their posts annually. Male teachers are given the option of a 100 per cent mortgage or alternatively of a rent rebate in addition to their salaries. Women are not entitled to these fringe benefits and married women are subject to higher rates of income tax.

Nursing is female dominated, with male nurses employed only in exceptional cases within hospitals. Women employed in the health sector are paid on a comparable scale to teachers (Rand 300-500 per month) with bonuses for night work and paid maternity/sick/holiday leave. Unmarried women in both professions who become pregnant are forced to resign from their jobs, but are sometimes permitted to reapply once their



child is a few months old.

The few kindergartens/child care centres which exist in the country to serve the children of employed women are entirely run and managed by the churches who pay teachers salaries, building costs, etc. There are no male teachers employed in this sector which relies on younger, unmarried women. Salaries are low compared to other teachers (Rand 100-120 per month). While a large gap still exists between government and church sponsored schools, salaries are uniform within the health sector. Nevertheless individual salaries are greatly influenced by political factors. Nurses with known political records, for example, are often paid as auxiliaries irrespective of their training, qualifications and experience. All teachers and nurses employed by the government have since 1983 been prohibited by government circulars to engage in any form of political activity associated with SWAPO, a prohibition which is frequently imposed strictly and harshly. A not insignificant number actively support the MPC, but the majority are active or tacit SWAPO supporters.

#### At Independence: Some Key Questions

The present situation under occupation, together with the general changes likely at independence can be used to highlight a series of key areas and questions.

It is likely that large numbers of women currently employed as domestic workers will be rendered unemployed by the departure of their employers. Given that a significant proportion of these women are both illiterate and unmarried with children to support, what type of education/training programmes should they be rapidly enrolled on? And/or what type of employment will they be able to undertake? If the employment of domestic workers in black households increases significantly, as it has in many independent SSA states, what steps are required to ensure substantial improvements in conditions of employment?

With the abolition of the contract labour system some women will be reunited with their husbands in urban centres, at mines and on large ranches. The majority of these women have, at most, only a few years of basic education and have lived all their lives on the land. Relations within the family and marriage have undergone fundamental transformation in exiled communities, due to the fact that the male breadwinner-dependent wife nexus has been challenged and it is envisaged that this experience will provide a model to be emulated in an independent Namibia. Do rural women who have not participated in this process need special attention when it comes to employment creation and opportunities for education/training? Or will they be forced back into economic dependence on their husbands? Bearing in mind their previous experience and skills, how would they best be integrated into the waged labour force?

In occupied Namibia women are totally excluded from the mining sector. Women in exile have proved their varied capabilities and have acquired skills which could be utilised in this sector (e.g. driving heavy vehicles, a wide array of construction related skills). Given high male unemployment, both in general and in respect to men with at least some experience in mining, and anticipated male opposition to the incorporation of women into spheres which have previously been defined as male, should attempts be made to: encourage women who have already been trained in relevant skills into these jobs, and/or train more women in such skills? Or should efforts be concentrated on sectors in which employment growth and shortages of experienced personnel are anticipated?

At present women living in the mining towns of Arandis and Oranjemund have few, if any, opportunities for waged employment. They are confined for the most part to enrolment in literacy or basic education courses or handicraft activities which do not in fact lead to wage - or self-employment opportunities. Resentment is rife among these women, who feel that they could easily perform jobs reserved for men. If it proves impossible or undesirable after independence to incorporate them into the male labour force, will they be encouraged to develop activities such as handicrafts on a larger scale? If so, what steps need to be taken to ensure that these yield adequate returns? Or will they be absorbed only in an ancillary capacity (e.g. as cleaners, cooks, typists, book-keepers)? Since this would serve to reinforce the division of labour between men and women and perpetuate exclusion and dominance on the basis of gender it is crucial to ask what the implications of these options are for the goals of enhancing the equality of the sexes and raising women's subordinate socioeconomic status in the society.

In occupied Namibia women in the manufacturing sector of the economy are concentrated in specific branches and work on specific tasks. Often the work men perform requires the operation of more sophisticated machinery rather than the use of hand tools, or depends on physical strength of types believed to be limited to them. After independence will attempts be made to change this unequal division of labour? And if so, how? Women are often channelled into food processing and garment manufacturing because these jobs rely on skills acquired in the home and command relatively low wages. Should attempts be made on a significant scale to impart new skills? Or is it more important to ensure that the work women perform is comparatively well paid and high in status?

In many countries women play a key role in the service and retail sectors of the economy. Given that these sectors are already dominated by women, what are the advantages and disadvantages of maintaining - and possibly reinforcing - this

pattern after independence? Should attempts be made, for example, to encourage men to train in and assume jobs utilising secretarial, typing, book-keeping skills, as is happening on a limited scale in exile?

Construction is another sector in which waged female employment within occupied Namibia is virtually nil, but significant numbers of Namibian women in exile have acquired some relevant skills and experience. Unlike mining, however, it is a sector in which employment can be expected to increase after independence in respect both to buildings and to civil engineering. How can women be trained to hold jobs in this sector and how can their employment be assured once they are trained? Is the structure of the industry relevant, including the role of large, externally based construction companies which elsewhere in SSA apparently never employ women except in office and ancillary service jobs? Are builders' cooperatives a viable option for small-scale construction projects? In rural areas, should small scale construction be seen as a full-time occupation, or as a seasonal one complementing other sources of income (including household self provisioning)? Would the latter choice make it possible to increase the access of significant numbers of rural women to waged employment?

If small-scale manufacturing, processing and service units are to be created, and these are to involve women on a significant scale, as seems likely, how can they be designed to ensure maximum returns and the least segregation? For example, what skills should women be encouraged to develop as a basis for these projects? Is there a need to introduce new skills? What forms of ownership and management are likely to be technically and equitably viable? If cooperative units are to be created, managed and run by women, what type of government support is required? Should attempts be made to create linked producer, marketing and transport cooperatives to ensure that women reap the full benefits of labour expended and do not lose out to 'middlemen'?

Since teaching and nursing provide virtually the sole avenues of employment for women with education and training in occupied Namibia, many young women aspire to these professions. Should attempts be made to encourage them to train in a wider range of activities? And if so how? In many countries women predominate in these sectors of the economy. What are the implications of 'feminisation' as, for example, in the case of general medical practitioners in the USSR (see Lapidus 1978) who are predominantly female and have much lower status and relative incomes than doctors in most other countries, where the profession is predominantly male? And how can the negative effects of this process be forestalled? If, as seems probable, the teaching profession provides a major source of skilled people for other sectors of the economy in the immediate post-independence era, how can equal opportunity be enhanced?

If the creation of child-care facilities for working mothers, whether on a self-help, church sponsored or government basis in an independent Namibia is viewed as a priority should this responsibility be left to women alone as 'mothers of the nation'? What would be the advantages of encouraging men to enter this traditionally female realm?

How can waged and self employment be seen together or at least in relationship to each other? For example, what changes in employment, ownership and production patterns in the large ranch sector would create employment - whether wage, self or worker team member - for women? Where practicable, would crop husbandry, spot irrigated ranch food production and dairying be relevant? How could women participate effectively in cooperative or worker managed ranch leadership, given that very few have experience in core ranching activities? What specific agricultural support services would be needed to enhance women's participation and status?

In what ways will general and sectoral wage and salary decisions affect women? How will this affect the 10,000 women who are now in the R300 a month or more top three per cent of black Namibian income recipients? If there is a trade-off between relatively high real wages in the health and education sectors (where most well paid women work) and rapid expansion of basic health and education services (from which women would probably be the greatest gainers), how should it be resolved? If mining, as the sector least likely to employ many women in the near future, because of its low employment growth potential, high health and safety risks and often isolated workplaces, continues to pay far above average wages, how can this hindrance to reducing gender inequality in access to well paid jobs be counterbalanced?

If steps are to be taken to challenge and transform the existing division of labour between men and women in the home and wider society, what types of mass education, mass mobilisation campaigns will be required? Since considerable emphasis is likely to be placed in an independent Namibia on encouraging women to participate actively in adult education/training programmes and political activities, how can their multiple responsibilities within and outside the household be effectively reduced? Since women's political participation is often most hampered by conflict between these, what specific policies will be required to enhance equality in this sphere? Is positive discrimination desirable and workable in practice?

In these areas it is, at present, much easier to identify problems and possibilities and to raise questions than it is to offer detailed answers or to propose programmes. This is partly because data on what is technically and fiscally possible are still scanty. Furthermore, there has not yet been an extensive and intensive dialogue on these or similar

questions. The immediate need would appear to be for a broader, deeper, more detailed discussion, both now and at independence. The temptation to put these issues aside to wait until the economy is consolidated should be resisted: the first steps taken will, whatever may be intended, reinforce existing patterns or begin the reconstruction of women's access to waged jobs, promotion prospects, relative and absolute incomes and status. Irrespective of anticipated contingencies, questions concerning women's participation in waged employment need to be priorities on the agenda.

### Contingency Planning

All planning and policy must take into account that future contexts and results will diverge from projections, however accurate or inaccurate these may have been when they were made. This is especially true when an economy is small and open, when its data base is weak and full of gaps and when significant structural (as opposed to marginal) change is to be attempted. All three conditions apply to the political economy of transition in Namibia.

However, beyond that general need to take account of uncertainty and to build review procedures and flexibility into policy is the somewhat different need to have standby plans and policies to deal with major contingencies which, would radically alter structural parameters and contextual realities. In SSA generally these usually relate to the general global economic context, to the external demand for key foreign exchange earners, and to drought. But the most critical and potentially destructive contingency in respect to Namibia is an active South African strategy of destabilisation waged to prevent effective stabilisation and development or to enforce a rigidly neocolonial economic transition. Initial strategy based on the assumption that South Africa will not destabilise Namibia as an end in itself will limit policy demands, but both measures to avert specific contingencies, and a set of policies to fall back on if the less favourable context occurs, are also required.

South Africa has already created the infrastructure for the intensive, systematic, and rapid economic destabilisation of Namibia, whether as a pre-independence plan of its own or consequential on shorter run objectives. First, it has created a purported external debt which would be crippling if accepted, and might damage external financial relations if repudiated. Second, it has created a budgetary shambles, giving the superficial observer the impression that Namibia is a fiscal 'basket case' not worth assisting. Third, via the 'Representative Authorities' (broadly comparable to 'bantustan' administrations in South Africa) it has created an administrative monstrosity. Fourth, it has built up a sizeable black middle class or salariat with consumption patterns 10-40 times greater than the black average. In

respect to its skilled and professional members this creates future income distribution and fiscal problems as well, possibly, as bitterness at the loss of incomes 'won' under colonialism. The pro South African, 'homeguard' and 'Koevet' fractions<sup>6/</sup> of this class could provide the front leadership and striking forces of an orchestrated insurgency starting from a stronger position than the MNR had in Mozambique. If the economy goes badly and the real incomes of the skilled and professional fractions are rapidly eroded, such a force could, potentially, have much broader political appeal. Fifth, by reinforcing its physical position in Walvis Bay - which it asserts not to be part of Namibia nor to be evacuated at independence - South Africa has ensured potential 'control' over Namibian policy with threat of destabilisation a l'outrance until alternative port facilities are operational. Lastly, the sea bastion of its new Orange River Border Line at Alexander's Bay is within mortar or launch distance of Namibia's premier economic asset - Oranjemund diamond mine - while the Swakop River 'boundary' of the Walvis Bay 'enclave' is in similar range of the logical alternative harbour at Swakopmund.

In respect of South African destabilisation the infrastructure to create the contingency already exists so that the first strategic and policy responses should be to dismantle or neutralise it. First, the 'debt', very little of which is in fact held outside RSA, should be rejected now, basing the case on the International Court of Justice's opinion. Both post-colonial and post-revolutionary precedents in respect to the non-assumption by the new state of liabilities and non-payment for former colonial government held assets (Makon 1983) need to be marshalled in a supporting brief. Second, the priority to reconstruct the budget (which exists in any case) should be seen as urgent. Third, the same may be said for administrative reform and restructuring. Fourth, the professional and skilled fractions of the black middle class must be socially and politically mobilised, and their individual losses in terms of present income levels minimised - if this is at all possible - consistent with reducing inequality and avoiding fiscal disaster. Other fractions pose a straight security threat, not a policy challenge. Fifth, Swakopmund must be reactivated at the earliest possible opportunity (e.g. by dredging, use of lighters, building warehouses and rail sidings, buying and sinking laid up vessels to form an artificial breakwater, construction of a bulk loading facility at the Swakop River bar). Luderitz, meanwhile, should be used as an interim fishing base, and road links to Angolan and to Atlantic ports via the Zambia-Botswana-Zimbabwe-Mozambique-Tanzania rail systems also given priority. This would establish a fallback position from Swakopmund. Sixth, the cost to RSA of attacking Oranjemund and Swakopmund needs to be maximised. In large part this is a problem of diplomatic policy, but other possible courses of action include a joint venture with De Beers at Oranjemund, and a Netherlands or Nordic interim senior port reconstruction

and management presence at Swakopmund.

Such action could reduce the effectiveness - and raise the cost - of a South African destabilisation strategy. Detailed responses to particular modes of destabilisation are harder to articulate now and it would probably not be desirable to publicise them in detail in any event. However, at or before independence they have a claim to priority consideration, in order at least to identify what could be done if necessary.

### Conclusions

The foregoing analysis is not a complete catalogue of strategic and policy priorities. It could not be fully tested for consistency or interaction in a paper this length nor given the data available. Nor does it claim total consistency in terms of articulation with SWAPO's interpretation of its goals and its determination of acceptable timing and sequences needed to realise them. In that sense the paper should be viewed primarily as a note on strategy and policy informed by SWAPO goals for the Namibian political economy of transition.

The presentation of constraints and the number and nature of the priorities may seem to be - and are - daunting. They mean that wasted resources, including limited time available for reflection, review and research, will be very expensive and might lead to a transition which could not make immediate structural progress. Simultaneously, high costs in output could be incurred and limits on subsequent change tightened rather than loosened. To say this is neither to counsel despair nor to advise that as little should be done as possible. The status quo is so deeply corroded that rapid deterioration and collapse will be inevitable in the absence of radical change or a manageable and restricted set of initial priorities.

Strategy and policy are matters of choice but choice is rarely, if ever, totally free. It is critical that first steps are taken to quell disintegration, and that they are taken in such a way that subsequent steps are made easier, not harder.

By no means all of the contextual factors are negative. Namibia has a higher base in terms of output per capita than any other African country at independence. The number of secondary and university graduates per 1,000 people will be second only to Zimbabwe among Eastern and Southern African countries. SWAPO has undertaken more economic thinking and effective personpower development than any other liberation movement except ZANU(PF). It will have more systematic analysis and a larger base for planning options than any other incoming independent African government, with the possible exception of Zimbabwe. These positive factors are not negligible. They are particularly important because the

constraints posed by personnel and institutional gaps and the fact that the easy route of continuing much as before (depending on much the same institutional procedures and senior public sector personnel) do not provide a realistic option. Despite the context in which SWAPO will come to power, a positive start toward a political economy of transition can be made and, if once begun, sustained.

Namibia at independence will be in a unique position both in respect to constraints and to requirements: SWAPO is not typical of African governing parties/groups. On the other hand, the need to make basic assumptions; to identify priorities and the acceptable degree and pace of movement; to determine resources, constraints and practicable alternatives are general. As a country characterised by lack of foreign exchange, productive capacity, domestic fiscal security and middle and high level personpower Namibia is similar to SSA economies in general. It is more extreme in some respects but less so in others.

Most SSA economies and economic decision-takers confront a set of challenges, a tightness of constraints and a scarcity of key resources. They also need to formulate priorities and to rely on articulated policies in order to take action comparable - in terms of urgency, complexity and the magnitude of change required - to those which confronted them at independence. In very few cases is the continuation of present priorities and strategies or their minor adjustment any longer viable, except in the very short run. The political economy of structural change and of transition in Namibia on independence, however numerous the differences in detail, is comparable to the political economic challenges confronting a majority of SSA states.



## NOTES

1. See for example, UNICEF, The Impact of World Recession on Children, New York, 1984 and Within Human Reach: A Future for Africa's Children, New York, 1985.
2. The Multi-party Conference, an alliance of internal parties, was formed in November 1983 with a view to developing a political and constitutional system within a framework agreed by RSA and the Western Contact group and opposed by SWAPO as defying the independence plan endorsed by UN resolution 435. The MPC declaration of January 1984 stated the objective of bringing about 'a generally acceptable settlement and internationally recognised independence' for Namibia. In June 1985 a Transitional Government of National Unity comprising representatives from five internal parties excluding SWAPO and dominated by the DTA was formally enstated in government. Its limited executive and legislative powers are set out in a Proclamation by the RSA state President (Government Gazette, June 1985) and the principles informing it in the Bill of Fundamental Rights and Objectives (Focus, August 1984).
3. In 1977 the economy was characterised by unsatisfactory output per capita, but with a healthy growth trend. Income distribution was radically inegalitarian on racial lines. The fiscal position was relatively sound. Public sector management was moderately competent and the private sector relatively optimistic about the future. Despite vulnerability to a diverse range of economic shocks, economic prospects at independence appeared quite positive in 1977.
4. The AG has issued up to Rand 1,000 million of stock wholly or largely to RSA financial institutions to cover budget deficits. Since the 1966 Mandate revocation RSA has been in Namibia illegally and, as ratified by a World Court decision in 1971, has had no power to borrow on behalf of Namibia so that there is no legal obligation on independent Namibia to assume this debt.
5. On 27 October 1966 the UN General Assembly resolution 2145 was adopted by an overwhelming majority vote in favour of the Namibian people's 'inalienable right to self-determination, freedom and independence'. It terminated South Africa's mandate over the territory and placed it under the direct responsibility of the UN. In defiance of this, South Africa has continued to authorise the extraction of Namibia's mineral resources. For example, Rossing Uranium Ltd. was established in 1970.
6. 'Koevoet', Afrikaans for 'crow-bar', is a para military terror commando unit engaged in widespread intimidation

and victimisation of Namibians suspected of acting in support of SWAPO. (See, for example, The Southern African Catholic Bishops Conference, Report on Namibia, May 1982.) The 'homeguards' or 'tribal battalions' are arms of the South West Africa Territorial Force (SWATF) which are based in the 'tribal homelands'.

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