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**NAMIBIA: The State of The Struggle**

**By 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.

- Mwalimu J. K. Nyerere

Blood and Iron: Theft and Struggle

Namibia's struggle against the imposition, consolidation and continuation of colonial rule passed its 100th anniversary in 1984. Unlike most African territories that struggle has been virtually continuous - even if with lulls - and has even from the beginning tended to create unifying forces among different Namibian groups.

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\* Although Reg Green has served as a consultant to SWAPO, to UNIN and to SADCC the analysis and views presented here are his personal responsibility and are not necessarily identical to those of SWAPO, UNIN or SADCC.

Namibia is an unforgiving land. The ecology is unforgiving - drought, desert and absence of fish wait to pounce. German and South African greed and Namibian need have impaired that ecology. The modern economy is fragile - far too dependent on a handful of volatile world markets, and ones which (with the exception of diamonds) are performing badly. The history of Namibia is equally unforgiving. It has been written in European theft - of independence, of natural resources, of land, of labour power and also in blood and iron. Historically that meant African blood shed by European iron - for the past decade and a half the balance has been less unequal.

For over a decade the struggle has passed the point of no return in the sense that South Africa could no longer realistically foresee restoring stable control by military means nor by cobbling up a Quisling or bantustan substitute for a genuinely national government. For at least half a decade it has also been clear that RSA was losing money on its once profitable colony - perhaps 10% of RSA's total budget - and had no realistic hope of ever ending that drain while holding Namibia.

The state of the struggle is relatively easy to sketch. So is the nature and condition of the economy and South Africa's built-in infrastructure for destabilisation after independence. What is much harder to sketch - at least with any pretence at accuracy - is the course of the struggle over the next few years. Namibia has proved a graveyard for the reputations of prophets - pro RSA, pragmatic and Liberation Movement committed alike - and may well remain so.

Namibia: Internal Political and Military Patterns

Militarily, Namibia is held - held down - by of the order of 120,000 South African, locally raised territorial, auxiliary, mercenary, irregular and para military police forces, about one to twelve Namibians resident in Namibia. That is - just - sufficient to keep the war at the level of systematic guerrilla conflict in the north and less frequent sabotage over a much wider zone plus staging raids into and occupations of Southern Angola and putting down really threatening civil disorder with an iron fist. It is quite insufficient to create enforced calm, to restore settler (or enterprise) confidence, to win through despair the loyalty of many Namibians - indeed to do much beyond buying time.

Politically, South Africa's Administrator General - in fact a colonial viceroy - rules. When convenient, he uses the South African created Transitional Government of National Unity as a screen and protective device. As it is not in fact a government, is in no sense national, tends to remarkable disunity within itself let alone with most Namibians - (doubtless it is transitional if that means impermanent!) - its uses even as protective colouration are limited.

The TGNU is the latest in a series of RSA attempts to cobble up a credible anti-SWAPO 'alternative'. It is also the most shopworn and least convincing of the lot. The 1970s Turnhalle circus with Chief Hosea Kutako and Dirk Mudge was far less implausible. But Kutako is dead (probably at the hands of a Turnhalle rival) and Mudge has been outflanked by a white settler fraction which is more or less the Namibian extension of the South African Conservative Party even if Mudge remains in charge of finance (subject to RSA provision and

monitoring).

In a plausible election it would be very hard to suppose the TGNU's components could win even 20% of the vote. Another 5% might go to conservative local groups which have avoided the TGNU because they view its embrace as the kiss of political death.

A different set of small parties - e.g. the Christian Democrats (German plus one Northern Area), the Damara Chiefs Council, SWANU (an old nationalist party shrunk to a fraction of the Herero people) - might win 10 to 15% of the votes. These groups are in fact in relatively close domestic cooperation with SWAPO (and are so perceived by South Africa).

The dominant non-party groups are churches and trade unions. Namibia is a very Christian country, probably over 75% of its people are at least semi-practising church members. The Namibian National Council of Churches (Lutheran, Catholic, Anglican, African Methodist Episcopal, Methodist, Presbyterian) is a very powerful force socially, morally and politically. It has been driven - by South African action and the churches' reflection on what Christianity means in the context of Namibia - into an overtly liberationist political stance and a de facto endorsement of armed struggle (the NCC members do provide SWAPO chaplains - but not SADF or SWATF chaplains) and tacitly of perceiving SWAPO as the leading, legitimate political force and the only one capable of achieving liberation.

Trade unions - affiliated in practice to the National Association of Namibian Workers which, in turn, is linked to SWAPO - have re-emerged as significant forces over the past eighteen months. Labour struggle is not new in Namibia

nor are labour organisations and strikes, but pre-1985 ones had been largely broken or had integrated into the more general SWAPO political process. The strongest union is the National Union of Miners - mine workers have historically been among SWAPO's key and firm constituencies.

SWAPO (The South West African People's Organisation) is the dominant political movement. It has shaped the form of dialogue and by armed struggle plus diplomacy put it on both the territorial and the international agenda. It has a political programme, skilled cadres, a shadow government with research capacity, substantial civil governmental work with perhaps 75,000 exiles, a large training programme and an army (PLAN). It - and nobody else - is perceived (even by the TGNU) as able to "declare peace". It is linked to churches, trade unions and the more genuine (if local or fractional) domestic parties. Internally as well as externally it has a substantial, visible presence despite repression. SWAPO's leadership includes members who are from all regions of Namibia and major historic groups - it is not "tribal". Even South African academic and intelligence analysts see SWAPO as likely to win 60% to 75% of the vote in a fair election. With either plausible constituency seats or proportional representation subject to a 5% minimum, that would imply 70% to 90% of all seats in a constitutional or legislative assembly. That of course, goes far toward explaining South Africa's reluctance to hold a supervised election - especially since 1980 demonstrated the pulling power of a liberation movement even in a quasi manipulated setting by the Rhodesia into Zimbabwe election results.

Angola: Through the Looking Glass

South Africa went into Angola in 1975 for two reasons: to attempt to establish a government willing to be part of a South African regional co-prosperity zone and - probably even more - to secure the buffer zone Angola had been for Namibia in Portuguese hands. When that adventure failed, South Africa's Angola policy for some years remained destabilising Southern Angola, raiding deeper occasionally to keep the government off balance and using UNITA as a pawn in buffering Namibia.

Post 1981 escalation has changed the situation. South Africa does not appear to have clear aims attainable from its investment in UNITA. Pretoria is too knowledgeable and cynical to suppose UNITA could dominate or even survive in a coalition government. On the other hand, it can hardly envisage enough support to UNITA to enable it (and UNITA uniformed South African forces) to capture Angola, install a client regime and destabilise to the north to create a new buffer. Nor are there any signs of what a more narrowly economically oriented regime might seek - an oil delivery contract for peace and Namibian independence tied to delivery of offshore gas to South Africa and no foreign troops South of the Kunene.

The Angolan tail now seems to be wagging the Namibian dog so far as South African policy is concerned. This is further embrangled by a desire to retain a hold on the USA administration by backing their "linkage" initiative and at least appearing to be acting to counter a 'Red peril'. Further complications arise from the partly complementary but potentially competitive USA support for Jonas Savimbi and UNITA - tactically useful to strengthen UNITA in the north of Angola and financially helpful in sharing the supplies, logistics and

technical personnel role but risking Savimbi (who in his day has been an exclusivist black nationalist, a capricorn style advocate of unity with settlers, a hard line Maoist, a pragmatic social democrat, a neo-liberal capitalist, a Marxist-Leninist and a battler against communism) seeking to play Caliban ("get a new master, be a new man") and drop South Africa in favour of Washington.

#### Namibia: Costs To Pretoria

Namibia is a costly amenity for Pretoria. The net cost of propping up the local regime and waging war in and on the border of Namibia now probably comes to well over \$1,000 million a year (\$250 per white South African). The cost in lives is significant - probably of the order of 250-500 white South Africans killed or crippled annually (including accidents while on duty), a figure comparable to 8,000 odd a year for the UK or 30,000 for the USA.

Further, the 120,000 military and para military personnel in Namibia are tied down on the periphery from the South African security perspective. Both logistics and the nature of the war in Namibia prevent their rapid relocation if security needs flare up in South Africa. Further the Kunene - Kavango - Caprivi frontier is a permeable and long one compared to that along the Orange River and the Orange River defence line (including its command air force base at Upington) is already built.

In the present context these costs are high but not unbearable. South Africa can afford to wait to see what turns up or to clarify attainable goals in Angola. This has the added virtue in Pretorian eyes that dropping Namibia

could give the CP the electoral slogan "Who lost Namibia?" and black South Africans the rallying cry "Our brothers beat them!"

But South Africa does not really view Namibia as part of the laager - only as a once profitable appendage and a buffer zone. If it becomes clear that there are no major gains to be had in Angola and that the costs of holding Namibia are rising, it is very likely that RSA would leave. It might then use Resolution 435 and the UN process as a screen or it might "do an Aden" (where the British simply left tossing the keys to the government buldings from the last departing military helicopter to their successors). In either event clauses or agreements on paper will not be RSA's main interest - the NP's leaders know very well how little such documents are worth, they are experts at gutting them. They will expect to impose their bottom line decisions by the threat and/or use of economic and military destabilisation against independent Namibia.

#### The Price of War To Angolans And Namibians

Indecisive the Namibian - Angolan war is. Small or low cost it is not. Angolan and SWAPO combatants probably number over 75,000, South Africa and proxy forces over 150,000.

War related deaths (from direct casualties, starvation, the impact of health service destruction and malnutrition on mortality especially of infants and young children) has been estimated in a study for UNICEF at nearly 500,000 over 1980-86. Half the rural population of Angola has been displaced by war. The 1980-86 loss of national output achieved contrasted with that likely to



have been attained in the absence of war is probably of the order of \$15 billion.

The toll for Namibians is harder to estimate because the counterfactual is problematic - quiet colonial rule? 1978 independence? However, thousands of Namibians have been killed, maimed, tortured and/or imprisoned - South Africa's total war approach is notoriously brutal. Because the majority of Namibians live in the northern war zone, the daily lives of most (including ability to produce; access to health, education, water; personal safety from 'security' and 'law and order' personnel) are severely restricted and/or distorted.

#### SWAPO's Projected Programme

SWAPO has a set of strategic objectives. At one level these appear in its now somewhat old Programme of Action. At others they can be added up from individual statements or speeches and from actions - e.g. in particular training (where SWAPO's achievement of securing training through tertiary level for about 1,000 Namibians is several times as many as that provided by South Africa) and research. SWAPO has sought to secure background material and analyses of options on virtually every policy area. It has not publicly committed itself to many detailed policies - first, because contexts change; second, because in several cases it seeks wider consultations with Namibians during the pre-independence constitutional process; third, because to do so would in some cases give hostages to fortune or prior information on how to block or avoid SWAPO policies' intended results to South Africa, settlers and/or enterprises.

One main theme running through SWAPO programmes is democratic participation: through elections, through trade unions, in small scale production ("land to the tiller"). A related strand is non-racism, non-tribalism and non-sexism (including a strong women's organisation and draft family law reform drafts already to a substantial extent applied by SWAPO in Namibian settlements in Angola and Zambia.

A second is equity and access: universal access to basic services, especially health and education, land - extension - markets for small farmer/ranchers, reduction of inequality (especially but not only where now based on race).

A third theme is national self-reliance (not autarchy) including: vesting of land and natural resource rights (and thus allocation of use rights) in the state; building up Namibian middle and high level personnel to operate Namibia; reduction of certain key external dependences, e.g. in staple food; creation of a substantial public sector role in the economy both in terms of control and ownership to create the means to implement a national economic policy framework.

Fourth is a clear concern for effective regional and international participation with the FLS, SADCC, the Commonwealth, ACP-EEC, the Non Aligned Movement and the UN family of organisations the most frequently cited (and dealt with) institutions.

Fifth is a very substantial degree of caution and desire to explore options as to timing, sequence and form within a broadly socialist approach to political economic policy. The facts of large public utility sectors, South African

enterprise involvement and the probable abandonment of both many ranches and some enterprises necessarily mean a very large initial state owned enterprise sector. Beyond that SWAPO intends to secure control over finance and external trade but does not rule out joint ventures, special marketing corporations selling private sector products (as with Zimbabwe's Metal Marketing Corporation) or gradual phasing-in of public sector ownership. A similar concern for studying contexts and alternatives before acting is evident in respect to mining and to agriculture (including 'white' ranches as it is in the series of talks with representatives of the German settler community clearly intended to achieve a meeting of minds on how this community could play a positive role in an independent community.

In these respects SWAPO's approach resembles, e.g. ZANU's more than, e.g. FRELIMO's at independence. However, in Namibia the remaining white community and enterprise position is likely to be weaker and the number of early departures and abandonment of assets higher than in Zimbabwe. This has two implications - transitional costs are likely to be higher but there will be less need to delay or to dilute basic policy goals to avoid premature departure of entrepreneurs and/or senior personpower, a point which may be especially relevant in respect to the transformation of the bulk of the large scale ranching sector.

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.

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

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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. The history of the Germans and the Boers in Namibia is one of blood and iron - black blood shed by white iron.

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 Liberation 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 liberation 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 sand 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 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 liberation 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, rollong 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 toward the goals set out in the SWAPO Programme.

### Perspectives

Pliny is recorded as remarking (when his projections went wrong) that "out of Africa there is always something new." That has been the epitaph to many prognostications on Namibia. It has been especially so for short term political and military soothsaying as opposed to structural and trend analysis. However, a number of short to medium term probabilities can be projected.

First, South Africa is not going to be shot out of Namibia. The war will raise costs to South Africa and continue to cripple the Namibian economy but in and of itself not to a degree forcing the Pretorians out.

Second, neither can South Africa win the war militarily nor create a viable (or indeed plausible on inspection) white government with black faces or black bantustan style regime.

Third, therefore enterprise and settler confidence and investment cannot be restored - nor any presentable election won - by South Africa and its proxies in Namibia.

Fourth, South Africa does not see Namibia as part of the heartland (or lost laager) but as a useful (decreasingly so), costly (increasingly so) periphery which is ultimately dispensable.

Fifth, South Africa's Namibian policy is ironically subject to its investment in UNITA (originally to 'protect' Namibia) and its inability to define attainable goals in Angola.

Sixth, if SWAPO or the international community raise the costs of staying in Namibia; the chances of any major deal or prize in Angola diminish and the ANC, Cosatu, the UDF, the comrades and their allies' struggle increases the need for security forces in South Africa then Pretoria will pull out. One or more of these conditions is likely to apply long before the end of the apartheid regime in RSA - Namibia is dispensable, power in the Republic proper is not.

Seventh, when South Africa pulls out of Namibia it may choose to use the UN process as a cover or to do a de facto cut and run. In either case it will count on its power to threaten and to act to destabilise and to attack - not on treaty or constitutional formulations - to protect its bottom line interests in Namibia (largely absence of foreign troops but perhaps also natural gas supply and one or more financial salvage jobs).

Eighth, in any fair (or reasonably fair) election SWAPO is likely to win two thirds to three quarters of the seats with the balance split (perhaps about equally) between SWAPO associated small parties and independents and those represented in the TGNU (or hovering like one northern party between the two).

The two main institutions of Namibian civil society outside political parties - the churches and trade unions would welcome (indeed a majority within each would work for) that outcome.

Ninth, the independence government will inherit an economy in disrepair, an inherently ill structured government and a society wracked by the heritage of war and the prospect of destabilisation. While SWAPO is well aware of the problems, has studied the options open to it, and has built up cadres of personnel, the speed of recovery is likely to depend to a substantial extent on the speed, level and appropriateness of external cooperation (including its pre-independence formulation and, in the case of training, delivery).

Table 1

Population Distribution Estimates 1980-1983

(people 000)

A. Geographic Distribution	1980			1983		
	Rural	Urban	Total(%)	Rural	Urban	Total(%)
District/Zone						
Katima Mulilo <sup>1</sup>	38	7	45	40	8	48
Rundu <sup>1</sup>	119	6	125	125	8	133
Oshakati <sup>1</sup>	595	18	613	615	28	643
Opuwo/Opuhoho <sup>1</sup>	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 <sup>1</sup>	1	1	2	1	1	2
Okakarara <sup>1</sup>	30	11	41	32	12	45
Khorixas <sup>1</sup>	17	12	29	18	13	31
Gibeon <sup>1</sup>	11	5	16	12	6	18
Rehoboth	<u>18</u>	<u>14</u>	<u>32</u>	<u>19</u>	<u>15</u>	<u>34</u>
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 <sup>2</sup>	<u>1</u>	<u>16</u>	<u>17</u>	<u>1</u>	<u>16</u>	<u>17</u>
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	<u>11</u>	<u>124</u>	<u>135</u>	<u>13</u>	<u>150</u>	<u>163</u>
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>

...../2

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	31	32	63 (5)	34	35	69 (5)
In Namibia	973(74)	345(26)	1318(100)	1009(72)	406(28)	1415(100)
In Exile	-	-	42.5	-	-	82.5
Total	-	-	1,360	-	-	1,497.5

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 <sup>1</sup>	500,000	40	600,000	40	640,000	40
SWATF/Police <sup>2</sup>	7,500	1	15,000	1	20,000	1
Children and Students <sup>2</sup>	565,000	45	675,000	45	720,000	45
Aged and Handicapped <sup>3</sup>	72,500	6	65,000 <sup>5</sup>	4	62,000 <sup>5</sup>	4
Non Econ. Active						
Spouses <sup>4</sup>	65,000	5	60,000 <sup>5</sup>	4	57,500 <sup>5</sup>	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 <sup>1</sup>	187,500	38	176,000	29 <sup>5</sup>	170,500	26
Semi Formal Employment <sup>2</sup>	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 <sup>3</sup>	<u>22,000</u>	<u>4</u>	<u>70,500</u>	<u>12</u>	<u>102,500</u>	<u>16</u> <sup>4</sup>
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
<b>TOTAL</b>	<b>600</b>	<b>9,425</b>	<b>10,025</b>	<b>9,450</b>	<b>10,350</b>	<b>19,800</b>

<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
<b>TOTAL</b>	<b>8,850</b>	<b>8,650</b>	<b>17,500</b>	<b>51,650</b>	<b>2,450</b>	<b>54,100</b>

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
<b>TOTAL</b>	<b>69,000</b>	<b>19,000</b>	<b>139,000</b>	<b>30,500</b>	<b>169,500</b>

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<sup>1,2</sup>

	<u>1977</u>			<u>1983</u>			<u>1985</u>		
	<u>Black</u>	<u>White</u>	<u>Total</u>	<u>Black</u>	<u>White</u>	<u>Total</u>	<u>Black</u>	<u>White</u>	<u>Total</u>
University or Equivalent <sup>4</sup>	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	350,000	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> <sup>1</sup>	<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 <sup>2</sup>	38	5.7	29	2.9	26	2.6
Semi Formal Employed <sup>3</sup>	2	0.4	3	0.6	21	0.6
Small Agriculture <sup>4</sup>	48	40.8	50	45.0	49	44.1
Domestic Service <sup>5</sup>	8	6.4	6	4.8	6	4.8
Informal/ Unemployed <sup>6</sup>	<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.

## 1983 Gross Domestic Product

Sector	RSA Estimate	Coverage Adjustment <sup>1</sup>	Revised Estimate	%
Agriculture, Forestry, Fishing, Hunting <sup>2</sup>	143	95	238	12
Mining <sup>2</sup>	473	5	478	24
Primary	<u>616</u>	<u>100</u>	<u>716</u>	<u>36</u>
Manufacturing <sup>3</sup>	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<sup>1</sup></u>	<u>GNP as % GDP<sup>2</sup></u>
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, JKiljunen, Kiljunen), London, 1981.
- d. 1983 GDP and BOP Tables revised from UNIN, 1986; 1985 GDP adjusted in same manner.

Table 9

Income Distribution: 1977-1983<sup>1</sup> (R 000,000)

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

<u>Exports</u>	<u>1977</u>	<u>1983</u>
Goods	800	1060
Non Factor Services	<u>775</u>	<u>1005</u>
	<u>25</u>	<u>55</u>
<u>Imports</u>	<u>650-</u>	<u>1170-</u>
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> <sup>2</sup>	<u>340-420</u>	<u>320-370</u> <sup>4</sup>
Recorded Interest/Dividends <sup>3</sup>	140	120
Unrecorded Enterprise Remittances <sup>5</sup>	75-100	50-75
Wage-Salary-Small Business Remittances <sup>6</sup>	<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> <sup>8</sup>	<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 <sup>9</sup>	150-200 <sup>10</sup>	50 <sup>11</sup>
Enterprise Debt Repayment <sup>12</sup>	(25)	(50-75)
Territorial Enterprise External Balance Changes <sup>13</sup>	20-(10)	(50-100)
Increase in RSA Currency in circulation <sup>14</sup>	(10)	(20-30)
Change in Net External Commercial Credit Outstanding <sup>15</sup>	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/Ctjihase 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)<sup>1</sup>**

	<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 <sup>2</sup>	150	220
Other Visible Exports <sup>3</sup>	20	30
Exports Non-Factor Services <sup>4</sup>	<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)<sup>1</sup>**

	<u>1977</u>	<u>1983</u>
Grain <sup>1</sup>	5	25
Other Food <sup>2</sup>	15	30
Passenger Cars <sup>3</sup>	15	30
Other Consumer Goods <sup>4</sup>	<u>127½ (16½)</u>	<u>250 (335)</u>
Fuel <sup>5</sup>	60	275
Other Intermediate Goods <sup>6</sup>	<u>112½ (172½)</u>	<u>135 (410)</u>
Transport Equipment <sup>7</sup>	20	30
Other Capital Goods <sup>7</sup>	<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>769<sup>1</sup></u>	<u>244<sup>2</sup></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 <sup>1</sup>	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)<sup>1</sup>

<u>Total Expenditure</u>	<u>1,300</u>	<u>Total Finance</u>	<u>1,300</u>
Recurrent	1,050	Revenue	750 <sup>6</sup>
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 <sup>2</sup>	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 <sup>3</sup>	Personal Income Tax	145 <sup>7</sup>
Police	53 <sup>3</sup>	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) <sup>4</sup>	RSA Transfer	275
Health	32 (82) <sup>4</sup>	Borrowing	195
Walvis Bay	114	Residual	<u>30</u>
Other <sup>5</sup>	<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. 1984-85<sup>1</sup>

<u>Expenditure</u>	<u>Budget</u>	<u>Estimated Actual</u>
Second Tier Central Budget	305	
Own Revenue <sup>2</sup>	200	
Central Administration	58	
Justice and Police <sup>3</sup>	66	
Defence <sup>3</sup>	131	
'Debt' Service	149	
Other Financial	98	
National Education (135) <sup>4</sup>	56	
National Health (75) <sup>4</sup>	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<sup>6</sup></u>		
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 <sup>7</sup>	<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 Mudgett, Budget Speech, 5-VII-85.

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