INTERIM WITHOUT END: NAMIBIA'S MORIBUND ECONOMY

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1984-1986: Bumping Along The Bottom

In 1984 the Namibian economy's rate of decline\(^1\) slowed to 1\%. Preliminary indications are that 1985 figures will show little change.\(^2\) The optimistic projections for 1986 are for 2\% growth\(^3\) and the pessimistic for a similar decline. With population growing perhaps 3\% a year this implies a three year fall in output per capita of the order of 10\% over the three years and over 30\% for the past decade.\(^4\)

The inevitable result remains increasing poverty and unemployment. Given the very unequal income distribution in Namibia along racial lines and the deliberate creation of a black middle class for political purposes, the majority of Namibians are up to 50\% poorer than they were a decade ago and over two thirds are below the absolute poverty line. Like the growth (or more accurately contraction) rate of output, these are among the worst figures for Sub-Saharan Africa.\(^5\)

While Namibia's economic structure centred on minerals, fish and cattle was ill positioned to face post 1975 metal prices declines, the collapse of fish stocks (a self-made wound from overfishing and drought), the basic cause for the objectively miserable economic performance lies at the political level.
South Africa's political and political economic end game in Namibia precludes genuine independence. It requires sustaining white incomes and those of a black middle class as well as elaborate 'homeland' and pseudo internal governmental apparatuses as well as of a full scale war. As a result despite high territorial tax rates, Namibia has become a severe drain on the South African treasury and the present situation is viewed as inherently unstable by almost everyone, no matter what ultimate outcome they would prefer. The so-called 'transitional government' is not taken very seriously by anyone — perhaps as little by white Namibian businessmen as by black Namibian workers and peasants and shows no sign of having any coherent economic ideas.

The denunciations of De Beers for overmining and underdeclaring profits reached a crescendo with the 1986 publication of the Thirion Report. In one sense they were a welcome relief for the Administration (which has no great love for Anglo-De Beers either in Namibia or at home in South Africa) by concentrating attention elsewhere. However, as they also highlighted the total ineptitude of the mineral and financial officials in respect to CDM and were followed by a weak and badly drafted set of mining law proposals, they only added to the lack of faith in official economic policy and performance.

While a growing body of SWAPO oriented economic analysis continues to appear, its immediate impact is not on the Namibia economy. Rather it increases the evidence that political economic alternatives and room for manoeuvre would exist for Namibia at independence, adds to the credibility of SWAPO's own political economic statements and is contributing to a SWAPO process of preparing its personnel and institutional structures for the day when they can shift from waging a liberation war to rebuilding an economy and society.
Meanwhile South Africa has continued to build structures for economic (as well as political and military) destabilisation of Namibia after independence. These range from the creation of the high cost black elite through transfer (to Namibia) of the loss making railway system and the older transfer (from Namibia) of Walvis Bay to localising – at least and at most in name and partial cost recovery – of the South African forces in Namibia. In parallel a much more sophisticated operation has been launched to "deglamourise" SWAPO and its growing cadre of Christian and internal Namibian Party allies.

Diamonds: All That Glitters Is Not Transparent

In 1985 De Beers campaign to regain control over the balance of supply and demand in the diamond market began to notch up steady victories. Prices were raised by the Central Selling Organisation, the secondary market pipeline began to empty, De Beers was able to reduce the large stocks it had held back to reduce pressure on the market. Between December 1985 and March 1986 the Financial Times changed its view from "Market Slump Brings Trouble for De Beers" to "De Beers' prospects are sparkling again".

De Beers 1985 Annual Report "shows production at CDM declined marginally from 930,183 carats in 1984 to 909,530 in 1985 – a level not likely to be exceeded greatly in 1986. More interestingly they show a leap in "South West Africa/Namibia" profit share from 8% in 1984 to 13% in 1985 or slightly over R100 million. Assuming all or virtually all profits were distributed this suggests a value of sales of the order of R325 to 350 million with mining taxes of the order of R150 million."
Prospecting and evaluation drilling in gravel along the north bank of the Orange River – where Diamond Area No. 1 seems to have been quietly extended inland – continued and are now in their fifth year suggesting that additional reserves have been found but that CDM is in no hurry to bring them onstream. Near Elizabeth Bay areas mined in the 1920s and 1930s are being re-investigated while off-shore and interior prospecting continues.\(^{11}\)

Mining continued to advance out to sea behind sea walls and overburden stripping remained ahead of mining. The average carats per 100 tons of conglomerate treated fell from 12.32 in 1984 to 11.12 in 1985; largely offset by a rise in tonnage treated.\(^{12}\)

The last point is of special interest in light of the Thirion Commission of Inquiry’s\(^{13}\) eight volume report which inter alia accused CDM of "overmining" both in the sense of mining too heavily and of concentrating on the richest areas and thus by-passing and rendering unviable adjacent lower quality conglomerates. De Beers’ contention is that mining plans have regularly been adjusted to diamond market demand conditions (in general, and for the large high quality stones of which CDM is the world’s premier producer) and that the quality of conglomerate used is raised in poor years and lowered in good to reduce volatility of profits.

Mr. Justice Thirion's Report - which has not been publically released - is hard to evaluate. It appears to have resiled somewhat from claims of 50% undervaluation of sales and to assert: that CDM is paid only 80% of the London "sight price" - with 10% commissions to two constituents of the Central Selling Organisation, one in South Africa and one in London; that costs have
been overstated to reduce tax liability and that tax is paid only when diamonds are sold and not when they are exported to be held in stock. 20% if accurate is a high level of charges; if CDM retains title to the diamonds tax would - under most diamond mining legislation - not be payable until they were sold.

The most serious charges were based on testimony by ex-CDM technical assistant Gordon Brown. He asserted that overmining - in quantity and in quality stripping - was begun in the 1970s to mine out by 1990 - ahead of independence. This is not entirely borne out by reported production levels which have historically swung sharply around 1,500,000 carats over the past 20 odd years with the highest production in the mid-1960s, matched in 1980 at around 2,000,000 carats but now cut back below 1,000,000 for the first time in over a quarter century. Nor are the claims as to quality of reserves mined clear-cut. Evidence does exist of internal disagreement on attention clean-up and bed rock sweeping and residual pockets of conglomerate. However there is some reason to suppose that by 1984 so-called vacuum cleaner techniques and equipment had been secured for dealing with them.

On the technical issues De Beers asserted that Mr. Justice Thirion was unable to understand the technical evidence and at least implied that Brown was engaged in a vendetta against his former employer. As De Beers declined to testify in public claiming commercial confidentiality and Justice Thirion refused to hear them in closed sessions, the technical issues remain unresolved with broadsides from both Thirion and De Beers providing sound, fury and smoke but little transparency.

On the total ineffectiveness of Namibia's mining monitoring and tax collection
machinery, the Report is on much firmer ground. Overseeing appears in practice to have amounted to overlooking. De Beers statements were accepted at face value as were bare statements of tax paid (by all mining companies, not just CDM) with no supporting details or documentation from the Pretoria tax office. The mining legislation remained virtually as it had been in the 1920s - including an odd arrangement through which CDM pays royalties to itself as the legal successor to the Imperial German mineral rights!

He also noted defects in prospecting rights resulting in "landlocking" of large areas which mining companies could withhold from other developers without engaging in substantial prospecting nor incurring large fees. A particularly contentious case turns on limestone deposits apparently "landlocked" by a major South African cement producer for a decade.

From this welter of claims and uncertainties several facts emerge:

1. Oranjemund has always been De Beers 'swing' mine with large output variations used to adjust group production levels toward global demand;

2. While destabilising annual output and revenue in Namibia, this strategy does not necessarily conflict Namibia's economic interests in the long term because it tends to result in high production in years of strong and low in years of weak prices;

3. CDM mining strategy does not appear likely to leave large unworkable low grade deposits at least not unless prices remain depressed resulting in continued exploitation of an above average reserve quality set of deposits and certainly seems to foresee production at least on the
present scale into the next century with distinct implications of additional substantial, partially proven upstream reserves;

4. But there has been no effective state monitoring of CDM's operations - much less requirements for approval of mining plans (as in Botswana or Tanzania) so that any conflict of territorial and corporate interest has inevitably been resolved in favour of the latter;

5. Similarly with no independent check on valuation (as there is in Botswana and Tanzania) it is impossible to say whether CDM's stones have been bought at full value even though the wilder claims of up to 50% undervaluation appear to be based on misleading calculations; and

6. The entire legislative and official monitoring framework of Namibia (especially but not only for diamonds) is archaic and staffed to a substantial extent by personnel from the mining companies it is supposed to regulate.

The "transitional government" announced the report and allowed reporting of some of its findings. Indeed its public relations sheet - Namibia Now reported its findings albeit in a low key. However it was not published in full - apparently because the "cabinet" feared alienating the major mining companies.

A mining committee was set up to study the Thirion Report and draft a paper on mining policy, prospecting, sale of minerals and implementation of legislation. Somewhat implausibly the Secretary for Economic Affairs, Piet Kruger - the official responsible for monitoring the industry and therefore a
main target of Justice Thirion's criticisms - was named chairman.

Even long standing settler business enemies of De Beers such as Eric Lang exploded in wrath.¹⁶ He not only refused to make submissions to the committee but suggested Kruger's dismissal as a good first step. The Chairman of the Chamber of Commerce, Peter Meinert, suggesting calling in and reviewing all mining tax returns retrospectively.¹⁷ Local miners and prospectors called for involvement of the private sector - an outcry to which Mining "Minister" Andreas Shipanga quickly responded.¹⁸

Rossing: Profits, Public Relations and Problems

In 1985 Rossing's output probably fell to 3,500 to 4,000 tonnes of yellowcake¹⁹ but pre-tax profits were firm at around $160 million of which $41 million went to RTZ (including its Rio Algam subsidiary), $39 million to other shareholders and up to $80 million to taxes.²⁰ This implies a total revenue on the order of $250 million (R550 million at late 1985 exchange rates) or $28 to 32 per pound versus spot prices in the $17.50 to $20.00 range. Local expenditure - including taxation was put at R350 million²¹ which together with shareholder after tax profits comes to R525 million odd suggesting relatively low capital expenditure on imported plant and equipment.

Rossing's shareholding position has always been obscure.²² RTZ (including Rio Algam) holds 51% of the equity, the industrial development Corporation of South Africa and General Mining Corporation (also of South Africa) 20%, total of France and perhaps Urangellschaft of Germany 10% to 15%, leaving 14% to 19% unidentified. Voting rights have been known not to correspond to holdings of
shares with RTZ resolutely denying it held majority control and the IDC implying at least that it did. Apparently there is a 'master share' with approximately 50% of the voting power though no special rights as to dividends.

This share has been transferred to the 'transitional government' as part of the creation of a facade 'Namibianisation' of South African parastatal ventures in Namibia. In the case of the railways the transfer has also ended South African responsibility for covering heavy losses and in that of SWAWEK (South West African Water and Electricity Corporation) presumptively transfers (or purports to transfer) liabilities for borrowings made by ESCOM (Electricity Supply Commission of South Africa) to build inter alia, Ruacana Falls Dam and the transmission line from the Cape. Rossing is a profitable asset (as potentially are the offshore gas and oil prospecting rights held by the First National Development Corporation) but the transfer is apparently of a mere 3.5% of the equity (from IDC) even though this carries over half (probably 53.5%) of the voting rights.

The fitful pressure against purchasers and processors of Namibian uranium oxide was stepped up in 1985-86. The UN Council for Namibia acting under its 1974 Decree No. 1 on natural resource use moved to sue the Dutch based and UK-Federal Germany-Dutch owned Urenco processing consortium. It is known that Urenco's Almelo plant is a major (though probably by no means the only) processor of low concentration uranium made from Rossing yellowcake. While Urenco's claim that it cannot chemically identify sources (which are often mixed) of consignments for processing, the yellowcake purchase patterns of some users make clear the provenance of at least part of their shipment to Almelo which has chosen neither to check on sources nor to require
certification that Namibian uranium oxide was not one of them. The chances for a successful suit - both in terms of a decision and of impact on Netherlands and EEC decision takers are viewed as relatively favourable and - legally at least - unaffected by the probable appearance of the 'transitional government' (which has no international legal standing) on behalf of the defendants.

Mining: Prospects and Perplexities

The 1985-86 collapse of the rand has been a blessing for Namibia's export directed mining sector. Rand revenues have risen faster than rand costs. It seems likely that Tsumeb in 1985 returned to a clear operating profit position albeit its heavy interest costs from the takeover of Otjihase and rehabilitation of Tsumeb processing facilities may well have left its pre-tax bottom line in or near the red.

On the other hand only for diamonds has there been a clear market recovery (and even there least for CDM's large, high quality stones). Uranium remains in the doldrums while copper has - in constant price terms - drifted to its lowest levels in 40 years with lead and zinc prices holding up only in comparison with copper. The collapse of the International tin agreement and the resultant free fall in tin prices has created major problems for Uis, Namibia's main tin producer.

Meanwhile, apart from uranium and diamonds, the sector faces an ever shortening and narrowing future. Low metal prices and uncertainty have halted opening of substantial new mines for nearly a decade and led to severe
cutbacks on development and - except for Anglo American - prospecting. As most Namibian hard rock mineral deposits are small (Tsumeb was the major exception but is nearing exhaustion), unless major mine openings take place within five to seven years a rapid decline in output will mark the early 1990s.

Sanctions\textsuperscript{25} - both in respect to imports and to the implementation of the Councils Decree No. 1 - increasingly concerned mining companies during 1985-86. They were also disturbed by the damage the Thirion Report did to the industry's image and responded both by challenging its professional conference and by offering to cooperate with the inter-departmental review committee.

**Unions: Moves and Countermoves**

In 1985 workers at both Rossing and CDM took initial steps toward affiliating with South Africa's National Union of Mineworkers (a pillar of COSATU the main non-racial, anti-apartheid trade union federation). CDM - consistent with Anglo/De Beers group policy - officially welcomed the move. Rossing - in line with its own and RTZ's anti-union policy - did not.\textsuperscript{26} The potential re-emergence of open militant trade unionism, five years after the breaking of the National Union of Namibian Workers as an open organising and negotiating body, alarmed the 'transitional government?' A Wage and Industrial Conciliation Amendment Act was rushed through the appointed 'National Assembly' to ban non-residents from holding office in Namibian unions, providing assistance in their formation, on addressing Namibian workers. The NUM commented that "It appears to NUM that the present interim
government is going the route of all the so-called homelands in South Africa by banning trade unions from operating in the territory."27

Ironically the Act clearly conflicted with the 'transitional governments' own "bill of rights" basic policy document. For this reason - and because of doubts as to its legality - Administrator General Louis Piennar returned it to the 'cabinet' for reconsideration and amendment.28

In April 1986 a new trade union did appear on the scene at Rossing. The placatory noises made by the management, the lack of negative reaction by the 'transitional government' and the appointment of a conservative, senior Afrikaaner employee as General Secretary (to whom the black chairman referred all questions) cast serious doubts on its genuineness.29

Meanwhile 4,000 nurses (60-65% of the total) were seeking to organise a new union of their own. They view the existing Nurses Association to be both white and government dominated. The immediate response of the authorities was to indicate they would not welcome (i.e. register) a "political30 union".

The Namibian National Trade Union - a body recognising the UN Council as the legal authority in Namibia - was launched early in 1986. Its first affiliate, The Wholesale and Retail Workers Union, was established in April. Whether NNTU will in fact achieve registration and/or be allowed to operate is unclear. Certainly it would appear to be a distinctly political union.31
In terms of the past decade 1984 and 1985 were good years for the Namibian economy. In 1984 current price GDP rose to R1952 (§792) million. In real terms that represented a decline of 0.9% compared to 1983's 4.3%. In 1985 real output is said to have risen 0.2%. As the business community views it, "faint signs of an economic recovery". However, if 1986 growth is 2% (the optimistic view) this will still mean that in only one of the past 10 years has it risen as rapidly as population - a record virtually unmatched even in depression ridden sub-Saharan Africa and contrasting markedly with the rapid growth (on the order of 4% a year in real per capita terms) of neighbouring Botswana whose economy is also mineral and ranching based.

On closer examination the 1984 figures look rather worse than the total might suggest. Agriculture, fishing, mining, construction, manufacturing and government were down while water and electricity were stagnant. Only commerce, transportation, communications, finance, real estate, personal services and miscellaneous showed gains. Indeed commerce's gain of over 17% was the only major improvement on the 1983 performance.

Mining net operating surplus for 1985 was said to be R279 million (versus a 1980 peak of R457 million) and taxable profit R247 million. These figures would appear to imply sales of the order of R1,000 million and value added in the sector of the order of R700-750 million. Given the falling value of the rand this apparent leap from 1984's R510 million sectoral value added is plausible even given stagnant output and generally weak world prices. Such an increase is also supported by the swing from a 1984 visible external trade deficit of R72 to a 1985 surplus of R342 million.
The rise in poverty has been steady over 1977-1986, paralleling the decline in the economy. Absolute poverty estimates - even for the economically active (including unemployed but excluding crippled and retired) rose from 57% in 1977 to 66.5% by 1985 - all very high proportions even in sub-Saharan African terms. Adjusted for crippled and retired persons the 1985 figure would probably exceed 70%.35

This poverty is at one level "Deliberately created poverty" - as set out in Oxfam's 1986 study Namibia: A Violation of Trust.36 Even today Namibia's average output per person is above that of any independent African state in the region except Botswana and over twice that of Tanzania where the absolutely poor proportion is probably about 50%. At another, however, its increase relates to the failure of the economy to grow. Formal employment has fallen over the past decade with increasing numbers of people driven into sub-subsistence small scale agriculture, informal (e.g. petty trading, handicraft, bar girls) sector work and unemployment. Recently financial stringency has led several ethnic authorities to suspend even the pittance pensions and old age allowances they formerly paid.

The Council of Churches of Namibia and several of its members have inaugurated or stepped up food aid programmes both in Katatura (Windhoek's African "location") and in particularly impoverished rural areas such as the Kaokoveld and the war dislocated North. This food aid has concentrated on schools and children and to date remains largely at crisis management level with little time or resources to develop self help, rehabilitation schemes. NNC hopes - with growing external financial support - to shift its programmes in that direction. Like the Christian organisation food aid distribution itself, this
is most unwelcome to the occupation regime which has branded it "SWAPO Aid", threatened reprisals against recipients and hampered delivery.  

Budget Balancing: Double Entries and Doubletalk

New loan revenue in 1985/86 rose to R1078.9 million on the central territorial budget. Of this R743.8 million was own revenue (including a R300 million South African payment in lieu of customs and excise, up from R250 million in 1984/85). Loans raised apparently totalled R85 million - including atypically R28 million from a Namibian commercial bank - bringing total funds raised to R1,164 million. As the 'surplus' carried forward was up to R136 million from under R100 million this implies actual expenditure of about R1,125 million versus R1,392 million budgeted.

The 1986/87 budget as presented to the 'National Assembly' by 'Finance Minister' Dirk Mudge came to R1,545.3 million with no borrowing planned. Revenue was estimated at R1,405.2 million with the 'surplus' carried forward bridging the gap.

Own revenues were expected to rise 26% to 938.2 million (including an increase of R50 million to R350 million of 'customs and excise' payment). South African transfers were budgeted at R466.9 million, a 34% increase over 1985/86's R335 million, apparently largely related to gradual transfer of a rising proportion of police and military expenditure in Namibia to the territorial budget.

The new Budget taken together with a 20% inflation rate suggests a real
decline at estimates level of the order of 10%. If compared to 1985/86 actuals, however, it would leave room for an increase of over 11%. Given the tendency to underspend and the apparent shifting of some 'security' items from RSA to SWA account, the former may be the more accurate estimate.

The budget was - somewhat surprisingly - denounced as discriminatory and preserving the status quo by the senior economic analyst of the 'transitional government's' public relations consultants. The data itself, e.g. showing R1,165 spent on each white pupil's education versus R317 per Ovambo pupil's, is hardly novel; its source is and points up the curious contradictions of this pseudo populist puppet regime.

Livestock, Fisheries - and Locusts

With the breaking of the long drought in 1984/85 agriculture probably showed some recovery in 1985 from its 1984 level of 44% of 1976's peak output. The karakul industry in particular recorded increased output - probably about 1,200,000 pelts or 40% of late 1970s level. In 1985 this proved a mixed blessing as the increased output combined with weak demand put severe pressure on prices. In 1986 these recovered somewhat and were also boosted so far as growers were concerned by the continuing fall in the rand. In July the average price per pelt was R31 (up from R22.4 in February) a record in rand terms but still hovering between £8 and £9 well below late 1970s levels of up to £15.

The South West African Karakul Authority (Swakara) has renewed efforts to strengthen demand for karakul by bringing it back into style. To this end it
has launched ventures with two major German fur traders (Rosenberg and Lenhart and Thorer) and a Hong Kong concern (Broadway Furs). Exhibitions in 1986 included Japan, Hong Kong, Milan, Madrid, Paris and New York.  

Recovery of the cattle sector - stricken by drought losses including forced sales and also by low prices - was slower. It remains to be seen whether, given present uncertainties, even remaining ranchers will invest in the expensive, multi-year process of restocking.

Fishing industry profits rose in 1985 and 1986 - partly at least because of the increased rand value of exports. Both Seaswas and Oceana reported 40 to 60% increases in turnover and more than doubled profits for the October 1985 - March 1986 half year.

However, the volume of fish caught showed little if any recovery, partly - but not wholly - as a result of quota control. In the case of sardines - whose 41,000 ton quota was caught in six weeks - the total biomass (schools) remained below 200,000 tonnes. This was, however, higher than previous estimates and the unbalanced age structure of catches (with a disproportionately large number of immature and young) also showed some signs of correction.

To the locust-like plague of predatory fishing, 1986's rains added a new plague of brown locusts. These appear to have swarmed from the Kalahari (and are severely affecting Botswana as well) with the return of damp soils. Their threat to pasture may be limited but their impact on crop production - and therefore staple peasant food supply in the north - is likely to be very severe.
Post Independence Destabilisation: Gambit and Reply

South Africa remains uncertain as to the means and timing of withdrawal from Namibia. However, it has clearly indicated its intention to retain military, political and economic leverage after independence. At least seven key levers have been created which South Africa could use in "destructive engagement" against Namibia. The first is the so-called external debt raised by the Administrator General and stated by Finance Secretary Johan Jones in 1985 to have reached R600 million (a surprisingly low and possibly understated figure given previous totals of as much as R500 million by the end of 1983). To repudiate it - despite the authority of the International Court of Justices 1971 opinion that RSA had no power to raise loans on behalf of Namibia and the 1983 Vienna Convention on "Succession of States in Respect of State Property, Archives and Debts" - could cause international financial image problems for Namibia, to service it would be crippling.

The second is the budgetary shambles both in terms of the large revenue/expenditure gap and of the appearance (carefully cultivated by South Africa that Namibia is a permanent fiscal "basket case". Third, the administrative structure of occupied Namibia is an expensive, inefficient multi-tiered monstrosity. Its reform will take time, funds and firing of substantial numbers of Namibians. Further key posts are held by South Africans whose withdrawal could cause near paralysis.
Fourth, a black elite has been created in public sector and large company employment. While not politically pro-South African their attainment of R5,000-12,500 annual incomes - which cannot possibly be generalised to Namibian workers in general in the foreseeable future - will pose massive fiscal problems if maintained and social and political if cut.

Fifth, Walvis Bay has been 'returned' to the Cape Province so that at independence Namibia's access to the sea is likely to be through a remaining South African occupied enclave. Combined with the sixth factor, the railway system's dependence on South African maintenance facilities and personnel (and to a degree rolling stock) this gives a potential stranglehold on transport.

Seventh, Oranjemund - Namibia's premier economic asset - lies within mortar range of the South African side of the Orange River while the off-shore Kudu gas field, when and if developed, would be totally vulnerable to South African naval or marine commando attacks.

As South Africa's record of regional destabilisation indicates, it would be naive to suppose it does not intend to use these instruments. The question confronting an independent Namibia will be how to limit or dismantle them.

Recent studies suggest that the potential for dismantling - e.g. tax and administrative reform, activation of alternative port facilities, a wages and incomes policy and a clear affirmation of the non-validity of the 'debt' (almost all held by RSA financial institutions) is greater than has been supposed. However, such contingency planning and pre-emptive action will place a heavy burden (in terms of key personnel time as well as of funds) on
independent Namibia.

Looking Ahead

Occupied Namibia has no economic future because it has no political or social future. With no investor confidence, low profits, no coherent South African or 'transitional government' economic strategy and no funds to implement one neither recovery nor structural adjustment is possible. 46

The right wing settler business community's quasi populist/quasi libertarian strategy 47 - tax the big companies, cut the budget, get South Africa off our backs has no objective reality because it has no conceivable political base. The gradualism of writers like Wolfgang Thomas 48 - and a portion of the local business community - might have had a future in 1976 (especially if the major multi-nationals had then favoured it) but in 1986 is an idea whose time has passed. Change - as in Zimbabwe - may well be phased and involve the private enterprise sector and a significant number of ex-settlers, but - also as in Zimbabwe - it will be much more basic than putting touches of black paint on the political economy of the occupation regime now and increasing access to the elite tomorrow, which is what such transition to "acceptable" capitalist development in Namibia would mean.

SWAPO's political economic strategy remains - probably deliberately - at the levels of broad themes, personnel development and amassing of information. Its intense involvement in the final conference/workshop leading up to Perspectives for Namibian Reconstruction and Development 49 (over half of its Secretaries as well as other senior officials took part) represents a stepping
up of its programme of creating a planning and policy capacity for independence. However, that capacity cannot be deployed—other than in updating its information, augmenting its training and refining its policy portfolio—until independence. That remains as unclear as ever and increasingly captive to South African internal political considerations and great power geo-political concerns over which Namibians have little influence. Meanwhile the territorial economy, while unlikely to collapse, will remain moribund.
Notes


2. Budget Speech, op cit.

3. The 2% estimate is that of settler businessman Harold Pupkewitz who has previously predicted hard times. It and its assertion - hardly borne out by other business reactions - were prominently featured by the 'transitional government' e.g. in Namibia Now of January 1986 (its highly professional London public relations organ).


5. Green, op cit.


9. The growing solidarity with SWAPO was expressed most notably on the Al-6ams Declaration of 30 April, 1986 held under Council of Churches auspices and ratified by all major Namibian Churches, SWAPO, six other parties including the white led Christian Democratic Party and organisations representing women, students and youth (Action on Namibia, June 1986, Namibia Support Committee, London) and the official denigration campaign in Namibia Now and the International Society for Human Rights' (Frankfurt), Namibian Human Rights In Conflict, British Section, London 1986 and London Conference of 27 March 1986 (see "Allegations and counter allegations", Africa, May 1986).
10. 10-XII-85, 15-III-86.
11. **op cit.**
12. **ibid.**
13. See sources cited at Note 8.
14. **loc cit.**
17. *Windhoek Advertiser*, 5-V-86.
18. **ibid.**
21. **ibid.**
23. **ibid.**
24. **ibid.**
25. *AED*, 17-V-86.
27. **ibid.**
28. **ibid.**
33. *Budget Speech, op cit.*
34. *AED*, 17-V-86.
35. Adapted from Green, "The Liberation Struggle..." op cit.


37. See, e.g. Namibia Communications Centre, London, releases of 10-X-85, 8-IV-86 and 22-V-86.

38. This section draws heavily on the Budget Speech and WA, 17-II-86.


41. WA, 11-VII-86.

42. WQ, op cit.

43. Windhoek Advertiser, 5-V-86.

44. See Manning and Green and Allison and Green, op cit on which this section is based.

45. ibid.


47. e.g. Eric Lang (see "Namibia", ACR 1984-85) and also articulated in Thirion Commission Report.


49. UNIN, 1986.