

NAMIBIA Briefing

WHO'S WHO AND WHAT'S WHAT

I. PeopleA. President Sam NUJOMA

Charismatic. Intelligent. Not a details man but follows and uses briefings quite well. Amiable. Politically moderate.

B. Prime Minister Hage GEINGOB

School teacher and UN Official background. Skilled organiser and negotiator. Runs a tight ship. Substantively politically moderate. Formal and reserved.

C. Minister of Mines and Energy Andimba TOIVO YA TOIVO

Historic leader of SWAPO - 20 plus years on Robben Island. Intelligent, influential, not likely to be a detail man but to vet strategic proposals. (See Dr. Leake Hangala below.) Courtly, aged, moderate.

D. Minister of Labour, Public Service, Manpower and Manpower Development Hendrik WITBOOI

Grandson of the Hendrik Witbooi who led war or resistance in early 1900s. Leader who brought South to SWAPO. Elderly, good politician, courtly, popular.

E. Minister of Information and Broadcasting Hidipo HAMUTENYA

More important than title would suggest. Intellectual (historian). Outspoken and forceful. Likely to be influential on economic and social strategy generally.

F. Minister of Education, Culture and Sport Nahas ANGULA

Very intelligent, forceful. Expert in education and personnel - likely with Hidipo to be strong influence on overall social and economic strategy. Also like Hidipo can be prickly although usually diplomatic.

- G. Minister of Foreign Affairs Theo-Ben GURIRAB
Long time UN Representative. Polished diplomat and mediator.
- H. Minister of Finance Otto HERRIGEL
Namibian of German ancestry. Internal SWAPO member and adviser but not open leader in past. (Was # 2 European ancestry member to the assassinated Anton Lubowski.) Cautious. Business oriented. Wishes gradual change on Botswana model and to see how RSA will change. (Permanent Secretary Godfrey GAOSEB university educated from SWAPO-Luanda Finance Secretariat.)
- I. Minister of Local Government and Housing Ms Libertine AMATHILA
Probably most influential woman. Very intelligent, charismatic. Amiable but outspoken. Holds Doctorate in public health - promoted from Deputy Secty. of Health in Luanda shadow cabinet.
- J. Minister of Trade and Industry Ben AMATHILA
Husband of Libertine. Matric level education. Clever, follows economic arguments. Relatively technocratic role recently but has political organising background. Very quiet.
- K. Minister of Wildlife, Conservation and Tourism Nico BESSINGER
Leading "Coloured" member of SWAPO. Qualified architect. Internal leadership roles (with WITBOOI, LUBOWSKI). Deputy Ms Pendukeni ITHANA (formerly Kaulinge) head of Women's Council. Not very forceful, probably # 3 woman after Libertine AMATHILA and Netumbo NDAITWAH (formerly Nandi).
- L. Minister of Health Dr Nicky IYAMBO and Permanent Secretary Dr Solomon AMADHILA
Both competent doctors. Commitment primary health care/health for all by 2000. WHO-UNICEF influence. Minister was SWAPO-Luanda Health Secretary (with extensive system) and Permanent Secretary was (non-public) SWAPO member with senior health post in occupied Namibia.
- M. Deputy Minister of Foreign Affairs Netumbo NDAITWAH (formerly Nandi).
Probably # 2 woman in government. Intelligent, influential, held

major diplomatic posts for SWAPO. On UK University course 1987-89. Very reserved and quiet in public discussion.

- N. Permanent Secretary Ministry of Mining and Energy Dr Leake HANGALA
Key programmatic person. PhD (Helsinki) in mining geology. Well informed. Outspoken. Highly intelligent, likes to debate.
- O. Deputy Minister of Works, Transport and Communications Klaus DIERKS
German ancestry. Non-public SWAPO member in Namibia. Qualified engineer. Intelligent. Cautious.

II. Policies - Economic/Social

A. General

Consolidation first aim, i.e. preserve slow (2-3% a year) post 1986 recovery avoid major dislocations.

Explore options - along Botswana, Zimbabwe lines. Significant structural and ownership changes without flight of minority community capital or personnel. See what happens in RSA over next two years while remaining in Rand area (monetary) and Southern African Customs Union.

Diversify economic links to EEC, SADCC/PTA in trade/transport/personnel/resource flows.

Major speech just pre-April 1989 by Hidipo Hamutenya outlines most of above.

B. EEC

Want ACP status. Key is 25,000 tonne (perhaps phased from 15 or 20,000 open) beef quota to shift from RSA market. Also concerned fishery agreement (with help on development of personnel, vessels) and perhaps mutton/lamb quota. Seek 40-50 million European Units of Account 1990-91 transitional support. Long history 'informal' diplomatic and technical contacts with EEC.

C. Mines

Broad approach conversion and expansion existing sector on Botswana lines:

- a. Joint ventures (shares for mineral use rights) up to 50-50
- b. Royalty/export tax (fixed/fairly low - up to 20% total)
- c. Corporation Tax (40%)
- d. Additional Corporation Tax (on profits over - say - 25% on capital employed taking one year with another)
- e. Influence on strategy governing production volume/quality of reserves over body being mined.

Over 90% of mining three groups:

1. Anglo/De Beers - diamonds, gold (about to come on stream), potentially coal and uranium oxide. Probably hard bargained but

fairly amicable. De Beers (Consolidated Diamond Mines) has de facto recognised miners' union and allowed SWAPO to organise workers for up to a decade. SWAPO sees joint marketing (i.e. De Beer's Central Selling Organisation) as useful to producers.

2. Rossing Uranium - uranium oxide. Problem over RTZ majority of equity (not of votes as minority equity already transferred from RSA parastatal to Namibia includes a "golden share"). Agreements are all post 1966 Mandate Revocation and 1971 Intl. Court Advisory Opinion. Therefore a strong case exists that they were void ab initio unlike the Consolidated Diamond Mines and Tsumeb group arrangements which go back to the German and Mandatory eras. Further RTZ has (in Namibia as globally) been grossly insensitive to pollution and very anti any self-organisation of workers. While independent Namibia will probably undertake at least exploratory talks with existing shareholders a hard line by RTZ could well lead to declaring the 1970s agreements void and bringing in a new (West European probably related to nuclear power companies) managing agent/partner.

3. Consolidated Goldfields (of Namibia). Main lead-zinc-copper-silver producer in Tsumeb/Otjihase group is analogous to Anglo-De Beers in legal status and in general probable Namibian approach. But CG (of SA - the parent) is much less forthcoming on JV, tax, labour issues. It - unlike Anglo-De Beers - has a bad reputation as an employer and a lurid one for strikebreaking. SWAPO is unlikely to stress this if CG moves to a revised tax-ownership-trade union recognition package but could well do so if CG digs in its heels. Today CG(N) is again profitable but not as profitable as Rossing or CDM.

Namibia will hope to develop replacement mines in base metals and replacement sources in diamonds. It will wish to explore viability (and date of desirable opening) of coal and further uranium mines and of the offshore (Kudu) gas deposits which probably overlap the (very ill-defined) marine extension of the (disputed) Namibia/RSA Orange River Frontier.

D. Land

SWAPO proposes at some stage to nationalise land (like minerals) but not land use rights. It has no desire to re-acquire (by any means) all settler farms now or in the medium term. The attitudes toward, a.) quasi-abandoned (1,000 of 5,000 farm holdings); b.) resident abroad (500-1,000); urban resident (2,000) and resident on ranch (1,000 to 1,500) are likely to diverge. Data on these groups is vague. How to redevelop African ranching on former European ranches is an area of intense discussion with both small traditional units and collective ranches (with Australian managers) seen as unlikely to work well but with visible progress at ending settler domination of 90% of good ranching land seen as crucial.

E. Agriculture

Namibia is likely to stress provision of seed, tools, services, extension market access to Northern small farmers. It will also seek to determine possible extensions of cropping in Northcentral and Northeastern plateau areas and to evaluate existing research/knowledge (e.g. on irrigation schemes). The same approach will be taken in respect to ex-'homeland' ranching.

F. Fishing

Namibia will extend fishing zone to 200 km and renegotiate catch limits. Inshore it will also seek to hold down catch to allow revival of badly depleted stocks. RSA continued occupation of Walvis Bay and possible licensing of trawlers from there may interfere with conservation. (For reduced catches Luderitz can handle tinning, fish meal making, freezing.) Agreement including support for industry development will be sought with EEC.

G. Currency

Namibia intends to establish a Central Bank in 1990 and issue a currency in (?) 1991 but to remain in the Rand area at least through March 1992. A panic flight of rand notes or deposits probably would alter that. From some date after 1991 it is likely to emulate Botswana and create an independent currency.

H. Trade

While it builds up a Customs service and enterprises (present or incoming) build up global sourcing capacity Namibia plans to stay in South African Customs Union Arrangements (SACUA). The 2 year interim decision depends on negotiating a formula as RSA-SWA transfers have in practice been ad hoc. Namibia's own analysis suggests medium term gains in radical shifts of import sources from RSA to EEC and Far East (EEC being main export market now).

I. Banking

Namibia will need to restructure a series of inherited state development, housing, agricultural banks. It might welcome partners such as CDC and its Dutch and German analogues in this. It will wish ex-Barclays and Standard Bank of SWA systems to remain but to be retransferred to Barclays and Standard London (analogous to Botswana). These dominate commercial banking. If Namibia decides to follow the Zimbabwe example there is a small local-German-RSA owned bank in which it might buy a majority (or consolidate with the Afrikaner banks' small 'SWA-Namibia' networks which they may be eager to sell).

J. Transport

RSA divided rail transport last year on terms disadvantageous to Namibia. It has very old rolling stock and especially locomotives. But the overuse of rail for RSA purposes means that massive fleet upgrading may not be needed as the whole raiiling of goods to and from RSA is uneconomic (sea and/or road would be cheaper).

Port development by 2000 will turn on a set of jetties, etc. at (usually dry) estuary of Swakop River well up from Walvis Bay but protected by same spit. Interim use of WB depends on:

- a. RSA's possible evacuation on basis legal basis of its claim had lapsed;
- b. RSA's attitude on transit rights/charges if it stays in WB;
- c. General RSA-Namibia relations.

Previously SWAPO was pessimistic and looked to early alternative facility building. Since de Klerk's initiatives Namibia is likely to "wait and see". If RSA does not destabilise Namibia, levies reasonable charges and shifts cargo promptly and negotiates (even in slow motion) on transfer - Namibia is likely to continue to use WB. (It would assume a post apartheid/broad electorate SA government would hand over Walvis Bay so would not see a need to force negotiations now.)

K. RSA's Raising External Loans for SWA

After 1966 and 1971 the RSA Administrator General in Windhoek raised funds from financial institutions in RSA (secondarily in SWA and peripherally in Europe) for use by the SWA (Occupation) Government. These loans were fully guaranteed by the RSA Treasury.

As the RSA occupation was viewed as unlawful throughout the period these debts are RSA debts not Namibian. Namibia did not incur them and would not be dishonouring its or a lawful predecessor's obligations by telling holders of the paper to go to RSA Treasury.

At the 1987/88 peak perhaps R 800 million was outstanding. RSA via its AG in Windhoek has since been rather desperately trying, a.) to pay off much of debt and, b.) to get more of it shifted to balance sheets of SWA/Namibia branches or subsidiaries. By March 21 it is likely debt outstanding may be below R 400 million with up to R 150-200 million on Namibia (not RSA) balance sheets. Whether under those conditions (on assumption RSA would not honour its guarantee in respect to Namibian holders) Namibia would choose to pay as an act of goodwill is unclear.

L. Education

Namibia's national language is English. But not over 25% of Namibians speak it. Adult English teaching (verbal/literacy), retraining teachers, etc., have been discussed in detail by SWAPO with British Council, Commonwealth Secretariat so an articulated basis for cooperation exists in this field.

M. Elections

The Constituent Assembly is to be the Lower (main) Chamber of the National Assembly. An Upper Chamber on a regional basis (with limited powers) is to be created. Similarly local governments - district and urban are to be elected. Defining constituencies, etc., will prove rather complex. Elections are likely to be late in 1990. They will be multi-party. However, the main opposition group - the DTA - was an anti-SWAPO alliance funded by RSA and backed by RSA administration. Its raison d'etre appears to be exhausted. (The white settlers backed a party of their own which has 3 seats of 72.) Thus 80% to 95% SWAPO seats in these elections is not unlikely - especially if single member, first past the post constituencies are used. Namibia would then except for lower chamber of National Assembly be de facto one party. If that happened a new National Assembly (lower chamber) election would be likely. Any early attempt to amend multi-party provisions of Constitution is unlikely. In a sense Botswana model (10 to 15% opposition seats in Assembly but a few opposition local councils and a multi-party system) would then be likely.

N. Commerce

There may be programmes to ease access to (not necessarily subsidise) credit and to provide training in accounting, marketing, etc., for small scale African traders and transporters - private and co-op. At international trade level Namibia will wish to see capacity to source globally (not just consult RSA catalogues). It is likely to be quite pragmatic on how - e.g. foreign trading companies (probably UK/Scandinavia); joint ventures between them and a public sector development corporation; joint ventures with Namibian (not RSAan) large commercial groups (2 or 3).

O. Press

There are likely to be 2 to 4 newspapers. The Namibian has been independent, pro-SWAPO and under Namibia's leading journalist (Gwen Lister) is likely to remain so. An independent press trust to own it is quite possible but probably not seen as a matter of urgency. Whether SWAPO will set up a Party daily is unclear. One to three other papers are likely to survive catering to business and settler

markets but which ones is less clear. The strong religious press is likely to continue. So long as reconciliation internally and correctness in relations with RSA survive a free climate of discussion and criticism are likely.

P. Finance

Namibia's (SWA's) 1989-90 budget was peculiar. Abstracting net 'debt' repayment (see K) above it had a surplus of revenue over capital plus recurrent spending. Further revenue looked 15 to 25% understated. (Supplementaries have already raised it 10 to 15%.) Thus it is not clear that independent Namibia inherits a fiscal morass.

Savings on multiple ethnic authority/service costs could be up to 15% of spending. If 'debt' is not accepted as valid that could be 10% saving. And Namibia as a lower middle income country can reasonably expect soft external finance for much of capital budget.

Assuming rapid demobilisation of elements of all previous armed forces and run-down of ethnic authorities is possible combined with net inflows for capital investment of \$75-100 million, Namibia should be able to achieve a balanced recurrent budget and avoid using inflationary finance for investment consistent with broadening basic service access and avoiding overall tax increases. The three basic SWAPO fiscal goals are non-inflationary finance - no overall increase in tax burden (some restructuring) - move to universal access to basic services. The conflict among these is likely to come if universal 4 to 6 year secondary education is attempted by 1995. (This is parallel to similar problem from such an effort in Zimbabwe.)

Q. Sanctions

Whatever stance is taken on sanctions against RSA, sanctions against Namibia which flow from its ex-occupation should be raised 21-III-90 or sooner. SWAPO has not made a major point of this because it has assumed it to be self-evident. That may not be the case when the Namibian element in sanctions against RSA is included in legislation

and statutory orders (as it certainly is in USA); so that review of the actual UK/EEC position would appear prudent.

R. International Water Rights

Angola-Botswana-Namibia will need to negotiate user and river basin management agreements on rivers rising in Angola and running into or on border with Namibia or (in case of Okavango) crossing Namibia (where it is used for irrigation on a small scale already) to Botswana. Technical assistance to ascertain facts will be needed and some trade-offs may require bargaining but goodwill and an agreement can be expected. Problems on the Orange River waters will be greater. RSA claims the German Colonial Boundary was North Bank not thalweg. (Inconsistently it argued thalweg on Kunene River Boundary with Angola.) Namibia and at least some international lawyers do not accept this. Namibia will claim downstream water rights on Orange. As Rand (by diversion of Orange River upstream - Highlands Water Project) and Northwest Cape (Uppington irrigated area) also need the water while Southern Namibia's crop development turns on irrigation this case is likely to lead to abrasive negotiations even with goodwill. Given the angular or undulating course of Orange River Frontier the offshore extension of Namibia-RSA border is subject to real doubt. The area concerned has fish stocks, probable natural gas, possible oil.

RHG
Falmer
26-II-90

SWAPO ANNOUNCES SHADOW CABINET AND GOVERNMENT SERVICE APPOINTMENTS

On December 21, 1989, SWAPO announced the creation of a sixteen member Shadow Cabinet, with deputies and permanent secretaries.

The Cabinet of the new Namibian government which will take office on independence day, March 21, will consist of a President, a Prime Minister and sixteen ministers.

PRESIDENCY

President: Sam Nujoma
Permanent Secretary: not yet appointed

OFFICE OF THE PRIME MINISTER

Prime Minister: Hage Geingob
Permanent Secretary: Nangolo Mbumba

MINISTRY OF HOME AFFAIRS

Minister: Hifikepunye Pohamba
Deputy Minister: Nangolo Ithete
Permanent Secretary: Ndali Kamati

MINISTRY OF FOREIGN AFFAIRS

Minister: Theo-Ben Gurirab
Deputy Minister: Netumbo Ndaitwah
Permanent Secretary: Andreas Guibeb

MINISTRY OF DEFENCE

Minister: Peter Mueshahange
Deputy Minister: Phillemon Malima
Permanent Secretary: Frans Kapofi

MINISTRY OF FINANCE

Minister: Otto Herrigel
Deputy Minister: not yet appointed
Permanent Secretary: Godfrey Gaoseb

MINISTRY OF EDUCATION, CULTURE AND SPORT

Minister: Nahas Angula
Deputy Minister: Buddy Wentworth
Permanent Secretary: Vitalis Ankama

MINISTRY OF INFORMATION AND BROADCASTING

Minister: Hidipo Hamutenya
Deputy Minister: Daniel Tjongarero
Permanent Secretary: Vezera Kandetu

MINISTRY OF HEALTH AND SOCIAL SERVICES

Minister: Dr Nicky Iyambo
Deputy Minister: not yet appointed
Permanent Secretary: Dr Solomon Amadhila

MINISTRY OF LABOUR, PUBLIC SERVICE AND MANPOWER DEVELOPMENT

Minister: Hendrik Witbooi
Deputy Minister: Hadino Hishongwa
Permanent Secretary: Tuli Hiveluah

MINISTRY OF MINES AND ENERGY

Minister: Andimba Toivo ya Toivo
Deputy Minister: Helmut Angula
Permanent Secretary: Dr Leake Hangala

MINISTRY OF JUSTICE

Minister: Ngarikutuke Tjiriange
Deputy Minister: Reinhard Rukoro
Permanent Secretary: Dr Albert Kawana

MINISTRY OF LOCAL GOVERNMENT AND HOUSING

Minister: Dr Libertine Amathila
Deputy Minister: Jerry Ekandjo
Permanent Secretary: Nghidimondjila Shoombe

MINISTRY OF WILDLIFE, CONSERVATION AND TOURISM

Minister: Nico Bessinger
Deputy Minister: Pendukeni Ithana
Permanent Secretary: Hanno Rumpf

MINISTRY OF TRADE AND INDUSTRY

Minister: Ben Amathila
Deputy Minister: Reggie Diergaardt
Permanent Secretary: Tsudao Gurirab

MINISTRY OF AGRICULTURE, FISHERIES, WATER AND RURAL DEVELOPMENT

Minister: Gerhard Hanekom
Deputy Minister: Dr Kaire Mbuende
Assistants: Vilho Hipondoka
Calle Schlettwein

MINISTRY OF WORKS, TRANSPORT AND COMMUNICATIONS

Minister: Richard Kapelwa
Deputy Minister: Klaus Dierks
Permanent Secretary: Dr Peingeondjabi Shipoh

MINISTRY OF LANDS, RESETTLEMENT AND REHABILITATION

Minister: Marco Hausiku
Deputy Minister: Dr Marcus Shivute
Permanent Secretary: Ulitala Hiveluah

Government Service Appointments

NATIONAL PLANNING COMMISSION:
Director General-Dr Zedekia Ngavirue

MINISTER OF STATE FOR SECURITY:
Peter Tsheehama

ATTORNEY GENERAL:
Hartmut Ruppel

AUDITOR GENERAL: not yet appointed

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