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**Annex A  
NAMIBIA**

*A Report to the Congress on*

**DEVELOPMENT NEEDS  
and OPPORTUNITIES for  
COOPERATION in  
SOUTHERN AFRICA**



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I. Summary and Conclusions

Introduction

This report analyzes the existing economic and social condition in Namibia and, based on the analysis, recommends a development assistance strategy. It recognizes that Namibia, like all developing countries, has certain fundamental developmental problems, i.e., shortage of skilled indigenous manpower; lack of development of the agricultural sector; resource constraints; inadequate transportation networks, etc. It takes as given Namibia's eventual status as an independent nation.

This report focuses on developmental constraints and makes recommendations regarding strategies and programs to address these constraints. While policy priorities may differ depending on the philosophy of the new government, certain development constraints are fundamental and will have to be addressed irrespective of the nature or make up of the independent government. If the new government is acceptable to the U.N., as well as the U.S. and other western powers, Namibia is likely to be the recipient of foreign economic assistance from various multilateral and bilateral sources.

It should be noted that official statistics on Namibia have not been released since 1969 because of the Secrecy Act imposed by South Africa. Consequently, economic and social data in the report are based on informed estimates which are cited in the reference.

#### Country Overview

Namibia, formerly South West Africa, is a territory in southern Africa bordered by Angola, Zambia, Botswana and South Africa. Since 1920, South Africa has administered the affairs of Namibia, initially under the League of Nations, and later by illegal occupation after the termination of its mandate by the United Nations in 1966. As a result of South Africa's illegal occupation of Namibia, the UN Council for Namibia was established by the UN in 1967 to administer the territory; but South Africa continued control and took stringent measures to incorporate Namibia as a fifth province.

#### Economic Overview

An understanding of the economic situation of Namibians and the basic human needs situation of the people, requires reference to the economic, as well as political, components of the apartheid and coercive labor system instituted by South Africa. Thus, the people of Namibia live in a dual economy enforced on the basis of race and one where Africans have been arbitrarily assigned to live in homelands.

Overall, Namibia has experienced rapid economic growth as a result of its mineral wealth, primarily diamonds; earnings from commercial agriculture (karakul and livestock production) and fisheries. While earnings from the fishing industry have declined, diamonds have increased in value and uranium production began to contribute to growth in the mining sector in 1976. Vigorous growth in the market sector occurred while the subsistence sector remained stagnant, in part because of deliberate neglect of subsistence agriculture in order to maintain a source of cheap labor for employment in the mines, the Walvis Bay fishing industry and commercial agriculture. Although Namibia has a high per capita income, this does not reflect the extreme disparities existing in the dual economy. The income level and macro growth is not at all indicative of the entire economy. Poverty in Namibia is most apparent under the contract labor system which forces Africans to live and work under very harsh conditions. As noted above, the system thrives on impoverished conditions in the agricultural sector, limits opportunities for gainful employment and leaves Africans little or no alternatives except to work in the urban and European ranch areas. Namibian migration and habitation in the white areas, which have been zoned off as the police state, is temporary and subject to comprehensive restrictions by the authorities.\*

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\*Some of these restrictions have been formally moved in recent months. However, this is to date more of an apparent than a real change.

Most of the land in Namibia is arid and inadequate to produce basic agricultural crops. However, the northern area has significant potential for producing crops for domestic consumption. Other areas suffer from a severe shortage of water supplies, although altered marketing and price structures plus small-scale irrigation could raise crop production in a number of localities in central and south-central Namibia.

A favorable factor, for the post-independence period, is that the largest percentage of Namibians live in the northern area of the country, where the best agricultural land is located. Potential mineral resources also exist there. Since the agriculture sector does not now produce enough to provide capital for improvements in agriculture, the resource capital will have to be provided from mining. With equitable distribution of Namibia's mineral wealth in the form of access to goods and services and employment, supplemented by foreign technical and capital assistance, great potential exists for rapid development of the indigenous economy. Namibia's mineral wealth provides the prospect of continued rapid growth of the economy and could serve as a sound basis for distributing the benefits of growth among all Namibians.

Namibia's development will be constrained by a number of interrelated problems. Some of the problems will be a consequence of the present political situation and will

change as current political issues are resolved. Notable development constraints are:

- (1) Shortage of qualified indigenous labor;
- (2) Inadequate transport networks in northern Namibia and other rural communities, and linkages with neighboring countries;
- (3) Lack of economic and social infrastructure;
- (4) Scarcity of water;
- (5) Small dispersed population and limited domestic market;
- (6) Unequal distribution of land and other resources; and
- (7) Heritage of deliberately created dependence on South Africa for transport, personnel, and financial and commercial services.

#### Socio-Economic Developments

Social and economic performance in Namibia had progressed unequally between the indigenous and settler population, with settlers benefiting from economic growth and the indigenous population being denied access to basic services to to share in higher income. Even though Namibia has attained a high level of economic growth due to its vast mineral resources, particularly diamonds, this wealth is concentrated in the hands of the white community with much of it exported to foreign interests. The indigenous population receives only the most minor returns and most limited access to basic goods and services. Most of Namibia's indigenous population live in areas which lack basic infrastructure, significant mineral resources

or, in most cases, adequate land to produce food supplies for local consumption.

Under its homelands policy, South Africa established separate areas for Whites, Coloureds and Africans, and took measures to govern Namibia under laws of the Republic. Establishment of areas for separate development (i.e., apartheid) resulted in neglect of indigenous administrative organization in African areas. Little effort was made to develop facilities for training and creation of opportunities to fill significant technical and professional positions. As a result, Namibia now lacks certain basic facilities such as institutions for higher education, technical training, and government administration.

A major obstacle to development is the severe shortage of indigenous manpower to fill technical and professional positions. The literacy level is approximately 13% among Africans and only about 7% of the indigenous labor force is qualified to fill administrative positions.

In addition, the education system is structured to limit the opportunities available to local inhabitants. This is due in part because education in each indigenous language is not conducive to training beyond the primary level.

#### Development Goals

Namibia does not have an official development plan which can be utilized to denote sector priorities of an independent

government. South Africa's approach to development was based on an apartheid system which does not recognize the rights of all Namibians to participate in the development process. Plans for development assistance are being developed in collaboration with the UN Council on Namibia and the UN Institute for Namibia. However, these plans are still in the preparatory stage. Some of these plans have been embodied in the Namibia Nationhood Program which emphasize: (1) improvements in human resources, particularly training of skilled manpower at all levels; (2) development of indigenous agriculture; (3) provision of economic infrastructures and other services in African settlements; (4) redistribution of land; (5) establishment of Namibian institutions; (6) development of an administrative capacity of the new government to implement the necessary policies and exert control over rational exploitation of Namibia's natural resources; and (7) participation of Namibians in the development process.

#### Objectives of Economic Assistance

The immediate objective of economic assistance should be to assist the new government in establishing the institutional mechanisms and administrative capability to assure continued functioning of vital operations in the key sectors of the economy. Initially, assistance should focus on developing indigenous institutions and administrative, professional and

technical skills in key sectors of the economy, notably agriculture, fisheries and mining. In conjunction with developing skills and institutions there should be a concerted effort to develop a reliable data and information base to facilitate planning. Immediately after independence, assistance should focus first on maintaining and then improving agriculture, health, local fisheries, rural roads, manpower and major transport networks. Development assistance may also be needed, depending on the policy choices of the new government to alter its links with South Africa via monetary, commercial and financial arrangements, by establishing an independent national currency and modifying or terminating association with the South Africa Customs Union.

#### Elements of Regional Development Cooperation

Namibia is confronted by certain developmental problems which exist in virtually all of the countries in southern Africa, notably inadequate transportation networks, shortages of skilled manpower, vulnerability to endemic diseases, and stagnation of regions which are isolated and lack infrastructure.

Namibia could have a potentially vital role in a regional strategy primarily (1) as an alternative outlet to the sea for landlocked countries such as Zambia, Botswana, and possibly, Zimbabwe; (2) in river basin development in the Okavango Basin between Namibia, Angola and Botswana and the Zambezi Basin

between Namibia (northeastern tip), Zambia, Zimbabwe and Botswana; (3) in developing trade among some of the countries in southern Africa; (4) to control endemic livestock diseases; (5) to expand training opportunities.

There are no major transportation links between Namibia and neighboring countries, with the exception of South Africa. Assuming continued access to Walvis Bay, development of transportation links between Namibia and Botswana; and Namibia and Zambia could make available an alternative route to the sea and facilitate trade.

The proposed Trans-Kalahari railroad link, to be studied by EEC, would expand trade opportunities between these two countries and others as well as provide an important outlet to the sea for Botswana and for Zimbabwe.

Trade in manufactures between Botswana and Namibia is currently limited because of the similarity of the two economies. Both specialize in mineral and animal products for export to pay for their imports of consumer and intermediate goods. Both are interested in promoting local industry and are limited to developing basically the same products. Both have underdeveloped agricultural sectors and import large shares of their food for consumption. Both lack indigenous entrepreneurs, managers, skilled labor and industrial technicians, and both import these at very high costs.

In spite of these limitations, there may be opportunities for some regional economic cooperation over time, particularly with financial institutional support to carry out feasibility studies, coordinate regional manufacturing activities, and finance regional projects

Aspects of political cooperation that have developed during Namibia's independence movement should facilitate regional cooperation in river basin development and trade. However, trade will be constrained by the lack of transport until such time as dependable links can be constructed with Zambia, Botswana and later Angola.

### Conclusions

While Namibia has significant economic potential, it is unlikely that this potential can be realized if there is a complete break with South Africa immediately after independence. Namibia depends on South Africa for vital transport links, as well as an outlet for resources which are marketed. In addition, whatever the final resolution, Namibia's only deep-water port and center of the fishing industry, Walvis Bay, is currently controlled by South Africa. Finally, since the two economies are integrated, it may take some time to establish commercial, financial, and monetary institutions. However, given Namibia's resources, stated

policies of most of the Namibian political parties, and South Africa's own vested interest, a gradual and orderly disentanglement of the links between the two countries could be accomplished without adversely affecting Namibia's development.

It may be difficult to initiate a meaningful development program in Namibia if the independent government does not include all elements of the population, particularly SWAPO. The question of direct U.S. assistance is dependent, of course, upon U.S. recognition of the new state and establishment of relations with the new government.

According to available statistics, Namibia has a relatively high per capita income compared to some other African countries. If this level is not viewed both in light of the gross income and living disparities which exist among groups and relative to the large subsistence sector, donors may wrongfully categorize Namibia as a wealth country with few assistance needs.

Initially, external assistance should be carefully coordinated with the UN. The UN can build on past experiences and minimize the cost of numerous donors efforts. An alternative is to establish a donor coordination mechanism outside the UN channels, perhaps through the African Development Bank or the World Bank.

## II. Country Overview

### A. Geography

Namibia is located on the west side of Africa's southern tip, bordered on the north by Angola and Zambia, on the east by Botswana and on the southeast and south by South Africa, and on the entire west by the Atlantic Ocean. The country covers an area of 824,297 square kilometers. Three regions mark the diversity of the terrain: the Namib, the Central Plateau, and the Kalahari. Approximately 15% of Namibia is constituted by a strip of desert sand, the Namib, along the entire coast in the western marginal area. To the east of the Namib is the Central Plateau, stretching from the southern to the northern boundary; the landscape includes mountains, rocky outcrops, sand filled valleys, and plains. The Kalahari features thick layers of terrestrial sands and limestone which covers the eastern, northeastern and northern area, approximately 35% of the land.\*

While rich in minerals, most of the land in Namibia is arid or semi-arid. This situation is aggravated by the presence of the Benguela current on the coast which is characterized by cold waters and a layer of cold dry air. However, the Namib supports desert vegetation and scattered human settlements; and the southeast and center consists

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\* U.N. Food and Agriculture Organization, "A Preliminary Note Toward a Country Development Brief," March 1976, p. 1.

of sub-arid climate and scanty steppe-type vegetation. Only the north is tropical, with a short rainy season.

Namibia's desert-like terrain is further aggravated by sparse and irregular rainfall; the entire coastal area receives less than 50 mm per annum whereas the north-eastern part of the country receives over 400 mm. Rainfall is more favorable along the Cunene and Okavango Rivers and in the Caprivi Strip in northern Namibia. Along with sporadic rainfall, inland rivers flow intermittently, and the only permanent rivers rise outside Namibia's borders. Consequently, water scarcity limits development potential.

B. Recent Political History

South-West Africa (Namibia) was established in 1884 when UK-German negotiations resulted in German annexation of South-West Africa (later, Namibia). The British had already annexed Walvis Bay in 1878, and the enclave was formally incorporated into the Cape Colony (now South Africa) in 1884. During World War I, SWA was occupied by South African forces and, in 1920, Namibia became a mandated territory and South Africa took over administration of the territory under a League of Nations Mandate which made Namibia a "sacred trust" of civilization. When the League became defunct and the UN, with both its trusteeship system under Article XII and its supervisory responsibility for non-self governing territories under Article XI of the charter

was created, South Africa refused either to recognize the UN supervisory responsibility with respect to Namibia, or to place the territory under a trusteeship agreement with the UN. Namibia was the only mandate that did not become a trusteeship territory or independent.

In 1950, the International Court of Justice (ICJ) ruled, in an Advisory Opinion, that even though South Africa was not required to enter into a trusteeship agreement with the UN, Namibia's mandate status could not be unilaterally altered by South Africa and that the UN General Assembly maintained supervisory authority over the mandate under Article XI of the charter. South Africa continued to violate its obligations as a mandatory by refusing to make the requisite reporting to the UNGA under Article XI, refused to forward petitions to the UN and introduced apartheid into the territory. In 1966, after the procedural dismissal of the contentious case brought against South Africa in the ICJ by Liberia and Ethiopia, the UN General Assembly, in General Assembly Resolution 2145, with the affirmative vote of the United States, deciding that South Africa by the above actions had failed to fulfill its responsibilities under its mandate, terminated the mandate and placed the territory under direct UN supervision. In 1967, the UN Council for South-West Africa (later named the UN Council for Namibia, UNCN) was established to administer the

territory. The Security Council subsequently affirmed UN General Assembly Resolution 2145 and called upon South Africa to withdraw. In 1971, the International Court of Justice in an advisory opinion, declared South Africa's presence in Namibia to be illegal. The ICJ called upon all states to recognize the illegality of the South African presence in Namibia and to take no action that would give support to South Africa's illegal occupation of Namibia.

Despite such international actions, including a mandatory arms embargo under Chapter VII, ("Partial Sanctions") and repeated Security Council resolutions condemning its actions respecting Namibia, South Africa continued to occupy Namibia.

Several indigenous liberation parties including the South West African People's Organization (SWAPO) launched a political movement for liberation against South African administration. SWAPO was subsequently recognized by the UNGA as the "only authentic representative" of the Namibian people.

C. Population

Namibia's 1977 population is estimated to be 1.2 million\* with Africans making up more than 92% of the total. Approximately 8% of its population are whites of South African and German origins. Official population figures have been

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\*UN Institute for Namibia, "Toward Manpower Development for Namibia," unpublished, Lusaka, 1978, page 7. UN Council for Namibia's estimate is 1.5 million.

disputed by Namibian liberation groups. The following population breakdown is based on official and unofficial estimates.\*

	Northern African	Central/ Southern African	"Coloured"	European	Total
1970 <sup>2/</sup>	600,000	245,000	90,000	90,000	1,025,000
1977	735,000	300,000	115,000	102,500	1,252,500

<sup>1/</sup> Based on numerous informal estimates ranging from 1,000,000 to 2,500,000 with most from Namibian sources in the 1,200,000 to 1,500,000 range for mid-1970's. Also related to employment and labour forces estimates.

<sup>2/</sup> 1977 estimate adjusted backwards at 3.0% per annum for African, 3.5% for "Coloured", 1.75% for European Communities.

Namibia's population is composed of a number of diverse groups among the Africans, Whites and Coloureds. The largest group is the Ovambo which constitutes 46.5% of the population. Other African groups are Damara, Herero, Koakolandars, Nama, Kavango, East Caprivians, and Kheisan. The largest white population group is the Afrikaans-speaking South African. Other white groups are Germans and English-speaking white settlers. Asians and Coloureds form the other major ethnic groups, with approximately 9% of the population. In line with the South African apartheid system, a number of political organizations have been formed along tribal lines (discussed in section on political structure). The government has encouraged ethnic identity through establishment

\*Ibid, page 15.

of "homelands", and promotion of ethnic grouping in employment and urban compounds.

D. Political Structure

1. Major Characteristics of Government

a. Autocratic Political Control. The South African Government has exercised autocratic control over Namibia. In June 1977 the South African Parliament passed enabling legislation to provide for administration of the territory by an Administrator General appointed by the South African State President. Justice M.T. Steyn, a judge, was appointed to this post and assumed duties on September 1, 1977. The UN Council for Namibia has attempted to counter South Africa's control by working through international channels to effect independence and accession to majority rule.

Apart from strategic and considerations, a major factor in South Africa's determination to maintain control over Namibia is its desire to retain access to Namibia's extensive mineral resources and other primary commodities. The economic dimension is important because Namibia has the world's richest source of gem diamonds, and the uranium deposit at Rossing is among the largest in the world. Rossing's contribution, along with that at Langer Heinrich, to South Africa's overall uranium production is considerable. Moreover, the Namibian coast is the only area under South African control where there is a potential source

of energy resources and oil prospecting can be expected to continue.

South Africa also benefits from Namibia's foreign exchange earnings, customs and excise receipts, and by the large sums deposited in commercial banks by investors in Namibia. The financial links between the economies of Namibia and South Africa will present difficult choices for Namibia's financial and economic independence. Since the virtual merger in 1969 of the two economies, Pretoria has directly controlled the bulk of the revenue generated in Namibia.

In the late 60's, South Africa took measures to permit each homeland group to establish a Legislative Co-Assembly and Executive Council as organizations of self-government under the control of the Department of Bantu Administration and the Department of Coloured, Nama and Rehoboth Relations, respectively. The Legislative Assembly and the Executive Council of the SWA Administration, governing body of whites in the territory, lost most of its powers and responsibilities with the passage of the SWA Affairs Act of 1969. Subsequently, the Pretoria Government assumed control, and made funds available to support its homelands policy. The homelands policy was vigorously pursued by South Africa until 1973, when the evolution of political events led to a move away from the concept of independent Black homelands and

the integration of whites in Namibia into the RSA.

b. Human Rights. South Africa's apartheid system of pervasive violation of human rights and fundamental freedoms in the Republic has been extended to Namibia. This applies to economic as well as political rights. There has been no freedom of movement; Africans are confined to assigned areas. There is no freedom of employment. The repression of the fundamental freedom of Africans is most evident in the contract labor system. Workers are continually subjected to police harassment and intimidation. Under the contract labor system, African workers have been severely restricted from moving freely. Only males are employed under the contract labor system forcing the breakup of families; women and children are frequently left in the reserves to eke out a meager existence. In addition, Africans have also been subjected to inhumane working and living conditions in urban compounds where workers are housed.

## 2. Multi-Party

Based on its predominant Ovambo following the South-West Africa People's Organization (SWAPO) is held to be the largest political party in Namibia. SWAPO also has a following among all groups and has been recognized by the UN General Assembly as the "only authentic representative" of the Namibian people.

In addition, there is the more conservative Democratic Turnhalle Alliance (DTA) with representatives from each of the major groups, and dominated by moderate-conservative whites; the Namibian National Front (NNF), a middle-ground loose coalition constituted by the South West African National Union (SWANU, Herero tribe), the Federal Party (whites); the National Independence Party (NIP, Coloureds); the Damara Council, and the Mbanderu Faction (Herero). Recently another party has been formed, SWAPO Democrats (Ovambo, led by Andreus Shipanga, formerly a SWAPO officer).\*

As noted above, most of the smaller parties formed alliances along tribal lines. SWAPO has downplayed ethnic identifications to amass a broader following. DTA recognizes ethnic identity and insists on an alliance rather than a single party. The NNF has been less successful and consequently weakened by group tensions. Tensions between the Damaras, Hereros and other groups (in part because of domination by SWANU) has led to a shaky coalition within the NNF.

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\*Bulletin of the Africa Institute on South Africa, "Facts and Figures on SWA", Vol 16, 1978, page 172.

### III. Socio-Economic Effects of Political Policies

#### A. Induced Poverty

Under South Africa, Namibia has evolved as a dependent nation. Many of the prerequisites for existence as an independent nation have been deliberately withheld. The vulnerability of this dependency is manifest in the non-existent financial institutions, lack of trained manpower, and a transport system linked only to South Africa. Despite mineral wealth the territory is a victim of externally imposed poverty. The poverty which exists in rural areas is directly related to the effects of the contract labor system and to the general difficulties of subsistence under the harsh soil and climatic conditions of Namibia. Preservation of a reserve supply of labor in impoverished conditions has limited opportunities for gainful employment in the agricultural sector and forced Africans to seek employment in urban areas. Lack of opportunities in rural agriculture and conditions on the white-owned farms are such that every attempt is made to get urban rather than rural employment. Poor wages, harsh working conditions and very long hours of work, make rural farm work particularly unpopular.

Africans (males) working under the contract labor system are required to live in compounds with extremely poor living accommodations, lacking sufficient food, adequate

shelter or other amenities, with generally poor health conditions. Contract workers have no alternative but to live in the compounds located in Katutura, a township of Windhoek which houses 6,000 men, or the Walvis Bay compound which houses 7,400 contract workers in overcrowded, unhealthy conditions. These conditions led to a strike of workers in December 1971, in which strong opposition to the system as a whole was expressed. Attitudes since the strike have become more resentful, since promises of major improvements in working conditions have not been met.

B. Unequal Distribution of Land

South Africa has not promoted the sustained and equitable growth of the Namibian economy. Economic policies have encouraged economic dualism and income inequalities. Ethnic differentiation has resulted in gross income and social disparities among whites, Coloureds, and Africans. The apartheid policy of separate development has further exacerbated inequalities.

Restrictions on African participation in economic activities forces Africans to accept low wages and menial jobs. The distribution of land in Namibia is strikingly unequal. As in South Africa, Africans not working in urban areas are forced into "homelands" where the most marginal land for farming purposes is found. Africans who are theoretically living off the land, in "reserves", have an average of 68 hectares per capita of very poor land as compared with the land per capita enjoyed

by the rural white population of 2,000 hectares. Whites have almost 30 times the land area per head.\* In no reserve are the Namibians self-sufficient in basic food and survival on what they could produce in the reserves under the present system is highly questionable.

Coupled with disparities in land ownership is the lack of infrastructure in African areas. South African expenditure in Namibia is almost entirely for whites. Education, medical facilities, drought relief and other services are provided almost exclusively in white areas. Massive subsidies have been provided to improve white farms. Other budget expenditures benefit foreign investment in the drive to extract Namibia's wealth as rapidly as possible. The investment policies and investment patterns have contributed substantially to the great income dualism which exists and to the poverty which is pervasive.

The fundamental dualism of the economy is manifested in income disparities with the commercial economy confined to the southern section of the country which is reserved for whites except for Africans permitted to reside as temporary sojourners. This area consists of two-thirds of the total land area of Namibia. It contains most of the known mineral resources, land suitable for animal husbandry, diamond area, towns, ports, and communications infrastructure. In the

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\*Barbara Rogers, "Foreign Investment in Namibia", March 5, 1975, pages 76-77.

remaining third of the country, comprising both former African reserves inside the Police zone and the northern "extra-territorial" reserves, now consolidated in "homelands", economic activities are principally subsistence in character, based on small stockrearing, cattle raising, and maize-growing, with migrant labor providing the main source of cash income.\*

C. Income Disparities

Since African workers and their families have very limited freedom of movement or association, or choice of employer, foreign investors can set their wages as low as they like, without any pressure to attract employees by at least a wage level that would support them and their families. They have increased their power to fix wages below poverty levels by forming employees' associations to eliminate wage competition after the general strike of December 1971-February 1972, which had a major influence on the drafting of the current labor regulations.\*\* White wages are set at a premium and fringe benefits are extremely generous to attract technicians to Namibia. Africans are confined largely to unskilled work. The difference between skilled and unskilled wages is significantly greater than in most industrialized countries. Even the most inexperienced white employee generally earns more than most experienced African.

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\*Roger Murray, "The Mineral Industry of Namibia: Perspective for Independence." Draft paper prepared for The Commonwealth Secretariate, 1978, p. 91.

\*\*Barbara Rogers, p. 61.

Wages paid Europeans, Africans and Coloureds are grossly unequal. In large-scale agriculture, Europeans gain around R2,000 to R2,500 per annum while African and Coloured employees earn R250 to R350 a year (including non-cash payments). The same is true of fishing which generates R3,000 to R3,500 for Europeans but only R700 to R800 for the crew, usually Africans or Coloureds. Remuneration in mining and smelting average about R15,000 but remuneration for Africans average R1,500 to R1,750 per annum.\* Equally, notable disparities exist in manufacturing, public utilities, and several branches of the service sector.

D. Dependency

South Africa deliberately pursued measures designed to force Namibia into a dependent status. Notable features of Namibia's dependency include:

- (1) An economy integrally linked with that of the Republic of South Africa, via financial and commercial ties.
- (2) A transportation network which traverses routes constructed for mineral exploitation and trade links with the Republic.
- (3) A debilitated social sector characterized by the contract labor system.

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\*Green, Reginald, "Toward Manpower Development for Namibia", UN Institute for Namibia. For further details see Green, Reginald "Background Notes".

(4) A subsistence agricultural sector deprived of opportunities to provide a foundation for viable economic growth; to produce adequate commodities for domestic use and potential exports; to offer employment for generating income in rural areas.

(5) A political structure controlled and staffed by a foreign government.

Subsequent to the completion of the Odendaal Report, implementation of recommendations resulted in an institutionalization of South Africa's presence in Namibia: Pretoria retained final authority in governing Namibia and each ethnic group was to have its own political and administrative institutions linked to the central government (Pretoria) by the Department of Bantu Nama and Rehoboth Relations. There were no adequate provisions for developing a viable economy.\*

Consequently, Namibia's economic independence never materialized and the country grew to depend on South Africa for virtually all consumer and investment goods as well as basic food supplies and skilled manpower. In addition, economic growth depended on a very narrow base, relying on export agriculture and associated processing (fish, beef, karkul); export oriented mining (diamonds, uranium, copper, lead); and services associated with export production, transport,

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\*Wolfgang H. Thomas, "Economic Development in Namibia", Germany, 1978, p. 49.

finance and marketing, even though about 50% of the total 1.2 million population is in subsistence agriculture, producing maize, sorghum, millet and livestock.

Under South Africa's control, Namibia's mineral wealth is being rapidly exploited, while other sectors of the economy, particularly agriculture, suffers from intentional neglect. Construction of infrastructure only in major mining centers; agricultural exporting areas (which produce karakul and cattle); the capital at Windhoek; and the port at Walvis Bay created prohibitive barriers to development in other areas. In the northern region where most of the indigenous population is located, inhabitants live at subsistence level with very limited infrastructure and institutions.

Transportation networks in Namibia were developed to facilitate exploitation of diamonds and other minerals; and to provide a direct link with South Africa. Most indigenous areas are not served by hard surfaced roads, railroads, or other transportation facilities, although new roads have been constructed in the north in and near the Caprivi. Therefore, for development efforts to succeed, a major program must be initiated to provide agriculture and feeder roads in these areas.

#### IV. Sector Analyses

##### A. Social Infrastructure

##### 1. Education

For many years the apartheid pattern of education available in Namibia has been similar to that of "bantu education" in the Republic of South Africa. The general policy has been of regulatory education so that the numbers educated are in accordance with the government's estimate of the opportunities available. In common with the practice in the Republic of giving more responsibility to the "homelands", "self-governing" territories, the Ovambo, Kavango, East Caprivi, and Coloured are being given more authority in matters involving education.

Education in Namibia for blacks is extremely limited particularly at the secondary level and above. University education in Namibia is non-existent. Minimal provision exists for teacher education, and technical and vocational training. There is an almost complete absence of further or higher educational opportunities within the country and very restricted access to opportunities in the Republic, or elsewhere. The patterns of higher expenditure on education for a much smaller white population, and correspondingly disproportionate provision for access to secondary and higher education are clearly discernible.

While the South West Africa Department of Education administers education of whites in the "homelands", the

Legislative Assembly or Council with either a Counsellor or Minister for Education and Culture is supposed to assume control of education. Each "homeland" has a Department of Education (or Education and Culture) and the activities are "coordinated" by the Department of Bantu Education. In practice, this "transference" of control has made little or no difference to educational patterns for African children, and structural changes were implemented in 1976 in an identical fashion across the country. The current structure of African education consists of seven standards of primary education and five forms of secondary education. This 12 year schooling pattern brings the African and White education system in line with each other structurally, but far from similar qualitatively. Previously, it was considered necessary to have an 8-year primary school course for African children to make up for differences in learning experiences. While Bantu education was officially "abolished" in late 1977, little has changed in the qualitative aspect of education opportunities for Africans.

a. Primary Education

The mother tongue is the medium of instruction in primary schools. In practice, this means that most higher primary and secondary education is given in Afrikaans. There are exceptions however, in East Caprivi the language of instruction above standard 5 is English. Some schools use

German as the medium of instruction. Two African languages, Ndonga and Kwanyama, have been developed to the level where they are recognized subjects of study up to junior certificate level (1974). A third language, Lozi, used in the eastern Caprivi area is expected to become a matriculation subject in 1978.\*

Education of non-white students in Namibia is provided for by the central authority. Books, stationery and board and lodging at hostels are also provided without charge. In 1973/74, R75.75 was spent on the education of each African student in Namibia. Of this sum, about R50 represented the cost of books, stationery, and accommodation, while the remainder covered teachers' salaries, administration, etc. In the Republic of South Africa, average cost per capita for white children is R605 (1976).\*\* No comparable figures are available for Namibia but the figures are unlikely to be significantly different from those for white pupils in the Republic.

The proportion of African children enrolling for primary education is thought to be about 80% (following the introduction of "compulsory" education in 1977) while the total enrollments have expanded to about 50% of the age groups.\*\*\* Whatever the precise accuracy

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\* Overseas Development Ministry, "The Education of Namibians", p. 6-7

\*\* Overseas Development Ministry, "The Education of Namibians", p. 3.

\*\*\* Ibid.

of the figures, it is clear that most of the African children receiving education are concentrated at the first level of the system.

Little evidence is available on the quality of primary education in Namibia. Use of the vernacular tongue as a medium of instruction must create severe learning problems since the range of material available in each language is limited and of variable quality. Subsequent use of Afrikaans, German or English (or a mixture of Afrikaans and English) means that the next learning step is in a second foreign language. Language competence creates major problems for both top primary and lower secondary schools. A comparatively high pass rate at the level of the higher primary leaving certificate in normal years masks the real problem which is that less than half the pupils enrolling for this level actually take the examination.

b. Secondary Education

A sharp upturn of enrollments at secondary level occurred at the beginning of 1976; this was achieved at least partly by converting some of the primary facilities, available as a result of dropping Standard VI, into junior secondary schools. Access to secondary education has been very limited and even recent increases seem large only by comparison with the very low level overall.

As in the primary sector, there is a very high dropout rate (much higher than is common in many other African countries). The number of pupils completing form 5 and taking the RSA Joint Matriculation Board examination is very small, so that even though a reasonable pass rate is achieved, the numbers qualifying for higher education and professional training are far too few to meet the current or likely future manpower needs of Namibia.

The medium of instruction at the secondary level is Afrikaans. Groups advocating independence have expressed a wish to increase the use of English as the medium of instruction, both to give access to the materials available in a major world language, and also to reduce dependence on the Republic of South Africa. In this regard, a number of SWAPO leaders and other Namibians have studied in the U.S.

c. Technical Training

Technical and vocational education as well as teacher education courses are provided for small numbers of students in high schools within the normal academic curriculum. Apart from elements of craft and pre-vocational training provided within the school curricula, separate provision for African children to receive formal technical and vocational training has been confined to "wings" of the high school. The range of subjects available is limited primarily to building trades, motor mechanics and carpentry. Only 339

students were following these three-year courses in 1975. There was a marked falling off in enrollments for vocational courses in 1976 (less than 50% of the previous year).\*

Technical and vocational courses for men are available at: Ongwediva, Augustineum, Cornelius Goroseb, Rundu, Okakarara, Caprivi and Dobra. At the Augustineum, two-year tailoring courses for a few girls are available; and there is a one-year (post form III) course for welfare assistants. A white technical high school opened in Windhoek in 1972.

There is no provision for advanced technical education, such as is available in the Republic of South Africa. However, "on-the-job" training is given by some mines and industries. No evidence is available of any formal elements of agricultural education for African pupils other than a small agricultural school in Ovamboland which has about 20 pupils.

There is no university in Namibia. A very limited number of African students are given sponsorship to attend "Bantu" universities in the Republic, and a few manage to obtain scholarships for study in Europe (particularly West Germany) or other African countries. Access to university education is therefore very limited. Proposals to establish a multi-racial University of Namibia have been discussed by the Turnhalle Conference, and the South West Africa Peoples

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\*Overseas Development Ministry, "The Education of Namibians," p. 8.

Organization. There is also the possibility of transferring the UN Institute for Namibia in Lusaka to a suitable location in Namibia and upgrading its curriculum staff, and facilities to provide an institution for advanced certificates.

## 2. Manpower

As Namibia approaches independence, manpower development is the most urgent need. Unlike the situation which existed in many former African colonies, black Namibians have been excluded from administrative positions at all levels by the South African regime. Of the managerial/administrative and technical professional groups, about 75% are white. If primary school teachers and nurses are included, the total becomes 93%. Europeans also comprise about 60% of the skilled non-supervisory personnel. In the area of education, only about 1% of the African population have secondary education or above, and about 12% complete primary education.\*

Scarce skilled and professional indigenous manpower is a manifestation of low educational levels. Excluding Europeans, almost 90% of the labor force (and a higher proportion of the total population) have less than complete primary education. Among economically active Africans, the percentage is over 90%, among "Coloureds" it is probably on the order of 35%. At the other extreme, less than 2% of Namibians (excluding Europeans) have attained secondary (four years) or

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\*R.H. Green, "Namibia Background Notes," unpublished.

equivalent educational levels.\*

As a result, virtually 100% of the estimated 100,000 holders of university, other tertiary and equivalent in-service qualifications are Europeans; this percentage may decline slightly as Namibians in exile return after independence. Even at the secondary or equivalent level, the European proportion appears to be about two-thirds, and at that of other post primary qualifications (including some teacher training, clerical/secretarial, nursing programs) over one-half. The high and middle qualification posts, critical to the present economic and social structure, are predominantly in European hands. Until Namibians are educated and trained, the key economic and service sectors will require expatriate personnel to continue functioning. Similarly, personnel with high and middle level qualifications necessary to meet the basic communal service needs of the urban, large agriculture and small agriculture, African and "Coloured" households, and the economic requirements of small agricultural producers, are largely absent.

An additional weakness in terms of skills is the absence of a usable national language - domestic or imported - as a result of the South African emphasis on use of the "mother tongue" in schools plus limited functional use of Afrikaans. Indigenous Black Namibian languages are not widely understood

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\*R.H. Green, "Namibian Background notes," unpublished; and "Toward Manpower Development in Namibia", UN Institute for Namibia.

outside of local cultural groups. Afrikaans probably will not be politically or technically acceptable as a national language.

Occupational category estimates show total European dominance at managerial/administrative and specialized professional/technical levels. While European dominance is less marked in the broad supervisory/foreman and skilled (non-supervisory) levels, the totals are somewhat misleading because some key sectors and types of post are almost totally European held. In the case of mining, power, water, transport, there does not appear to be significant numbers of supervisory or skilled posts held other than by Europeans and the foreman posts, held by Africans in general, appear to be ones with limited skill provision and supervisory responsibility. In agriculture, responsibilities are entrusted to experienced African employees. Probably about 22,500 to 25,000 of the African and "Coloured" workers in this sector could be viewed as performing supervisory and semi-skilled roles.

### 3. Health

Namibia's health services, if viewed in terms of territorial aggregates, compare relatively well with that of other developing countries. However, like the situation which exists in all other sectors of the society, there are gross disparities in the quantity and quality of services provided to whites, coloureds, and Africans. Rural services are grossly deficient compared to that of urban areas. Health conditions

in Namibia are adversely affected by 1) mining hazards, 2) unhealthy living conditions, and 3) tropical diseases.

Contract labor workers are assigned to most of the extremely hazardous work in the mines. Africans have no choice in the type of work assignments or location. Health, safety, working and living conditions are governed by standards which are different for Africans, whites and coloureds. For example, medical care and working conditions are extremely deficient for African workers at the Rossing mine, while whites have good medical facilities, working conditions, and better protection against job hazards.\* Perhaps, the most serious problem is the hazard of radiation from uranium-oxide. Contamination from radiation is a problem for people living near the mining areas, as well as workers. African workers are particularly susceptible to health problems generated by radioactive substances because of: 1) lack of protective clothing and equipment in the mines; 2) inadequate safeguards to protect against the spread of radiation through wind erosion and rain; and 3) the proximity of living camps to mining areas.

While many rural areas lack adequate health facilities, an equally serious health problem is posed by unhealthy living conditions in the compounds where urban workers are housed. In general, compounds are overcrowded and

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\*Gilbert, Mutwa, "Migrant Labour in Namibia", ECA/MU/POC/Lusaka/86, April 1978, pp. 10-11.

and unsanitary with deficient facilities. In addition, food provided is of very poor quality.

Certain tropical diseases are found in various areas of Namibia. Malaria is a major health problem in the north and some southern sections. A considerable number of cases of tuberculosis still occurs. Bilharzia is endemic in Kavango. And, various other contagious diseases exist, notably meningitis, leprosy, brucellosis and diphtheria.

In certain rural areas, infant mortality exceeds 250 per thousand births and over 75% of the people have one or more chronic diseases.\*

B. Economy

Namibia's economy has three major features:

- (1) oriented toward mineral exports;
- (2) predominant market sector owned and controlled by South African and foreign interest; and
- (3) underdeveloped traditional agriculture adjacent to a striving commercial farming sector.

Namibia is characterized by a dual economy with a subsistence sector which includes most of the African population, and a market sector which depends on contract labor and is dominated by South Africa and other foreign interests.

The economy is very narrowly-based with primary sector activities predominating within the market economy a small

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\*WHO estimates.

number of firms engaged in mining, fishing, and commercial farming. Earnings from the export of minerals, fish, cattle and karakul pelts are the principal components of gross domestic product (GDP).

Most of the larger companies in Namibia are subsidiaries or branches of companies whose headquarters are located in South Africa. Transnational corporations of the UK, US, Canada, France, and the Federal Republic of Germany are also involved in the economic exploitation of the territory. Due to the size and contribution of total output, these corporations have significant impact on the economy and are capable of influencing political decisions as well.

Whites control the market economy, including the commercial farming sector while Africans have been forced to participate in the market economy under the contract labor system. A few Africans run small stores in African townships and reserves; Rehoboth Bastards operate commercial farms and the bulk of the economy of Rehoboth. Some Africans own cattle, donkeys, or goats and occasionally sell these, but must do so through white-controlled markets at lower prices than those of white owners. The majority of the indigenous Namibians have a negligible share in the ownership of the economy. In the homelands, commerce has been handled by the South African sponsored Bantu Investment Corporation, which is entirely white managed.



1. Macro-Economic Situation and Trends

Compilation of separate trade statistics for Namibia was suspended in 1965. South Africa maintains a strict policy against divulging official statistics. Most private companies also refuse to divulge business data, and South African corporations do not separate out Namibian operations. Even routine statistics are regarded as classified. Consequently, precise calculations of GDP, balance of payments, and other economic indicators are not accessible.

Since South Africa eliminated publication and collection of economic statistics for Namibia, there is no basis for analyzing recent official data on Namibia. GDP and other indicators have been estimated based on prior years and unofficial sources. While validity of the data is questionable, it is used to give an approximation of Namibia's level of economic growth. Other factors which complicate calculations of GDP are difficulty of measuring regional GDP in black rural areas; underenumeration of the population; underestimation of gross domestic capital formation; and mineral exports.

GDP in 1977 is estimated to be over R1,100 million, double the estimated 1972 GDP of R540 million.\* Another source placed 1975 and 1976 figures at \$718.6 and 825.4 million, respectively.\*\* GDP growth rate has fluctuated widely at

\*African Contemporary Record. Collings London 1978.

\*\*Wolfgang S. Barthold, "Namibia's Economic Potential and Existing Economic ties with the Republic of South Africa", German Development Institute 1978, p. 63.

current prices varying from -2.8% in 1970 to 22.8% in 1972, assuming the latter estimates. Forty-three percent of the GDP was contributed by the primary sector in 1975.

A very high proportion of GDP is exported, perhaps as much as two-thirds. The degree of concentration within the commercial economy is shown by the very high share of gross corporate surpluses in GDP. These gross surpluses which include depreciation and corporate taxation are estimated to amount to more than 40% of GDP, and exhibit the degree of domination of the economy exercised by the diamond and uranium mining corporations, and a number of base metal mines; fish catching and processing firms.

Even though over half of the economically active population is employed in small-scale agriculture, this sector contributes only 4% to 5% of the gross domestic product. Large-scale agriculture, fishing and mining, account for 43% of the GDP and support the bulk of the secondary and tertiary infrastructural service and governmental sectors, as well as accounting for almost all exports. The secondary sector-- manufacturing power, water and construction--accounts for about 14% of GDP and 7% of employment. Services other than domestic, provides employment for a seventh of the labor force.

a. Balance of Payments/Trade

There are no official figures for balance of payments. It can be assumed that imports are high due to the

absence of local energy resources as well as locally-processed consumer goods, and the high dependence on imported basic foodstuff and capital goods. Most of the imports are brought from South Africa or through South African traders, with about a third originating from foreign countries.

Trade statistics only show goods moving through South-West African ports and do not include imports and exports moved through South Africa. Import values from 1957 through 1964 remained static at about R14 million, but did not include goods from and via South Africa. Estimates for 1970 placed imports at R150 million and at R600 million in 1977. Recent substantial increases are due to the dramatic increases in investment projects such as the Rossing uranium mine.

Namibia's exports consist largely of cattle, karakul pelts, minerals and fish. Most of Namibia's exports originate in the primary sector. Mining, fishing and animal husbandry accounted for 80% to 90% of the total value of exports. Only 10% to 20% was accounted for by processing of fish and meat. Diamonds are the most important mineral export. Uranium oxide is expected to replace diamonds as the leading export by the 1980's.

While accurate figures are not available, it can be assumed that Namibia has a trade surplus which could increase substantially with increased export of uranium

and the potential natural gas reserve.

(1) Exports

In the 1960's about half of Namibia's exports were destined for South Africa, while almost 90% of imports originated there.\* South Africa viewed this trend as advantageous to Namibia because of the stability of prices, convenient marketing channels, good quality and low prices of imports. It is in fact, more likely that Namibian exports could obtain the same if not higher prices for all the major export commodities if these were sold directly to overseas markets. This might require the establishment of independent export marketing structures. Two possible examples are gem diamonds and canned fish; the latter are currently marketed exclusively by the SA Federale Marine Agency.\*\*

(2) Imports

With regard to imports, Namibia obtains the bulk of its processed foodstuffs, semi-durable and durable manufactured consumer goods from South Africa, the main exceptions being some types of mining, equipment and machinery, which are imported from West Germany, the United Kingdom, and the United States. Namibia has no real interest in South Africa's policy of import protection and import substitution, which substantially increases the net cost of these commodities.

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\*As of 1970 not over a quarter of Namibia's exports were for South Africa.

\*\*Roger Murray, p. 96.

Namibia is in effect being made to help bear the cost of South Africa's own structural balance of payments problems - thus since March 1977 its imports have been subject to a 15% import surcharge, while South African cost inflation on manufactured goods is estimated to be adding very substantially to Namibia's import bill. The high tariff import policy of South Africa has also impeded Namibia's own industrial development since the existence of a captive market within Namibia for South African commodity suppliers has inevitably meant that there has been reluctance to establish industries there which would need to be in unprotected competition with these imports.\*

Once independent, Namibia would be in a position to pay in hard currency for all its imports and could benefit by importing these direct from exporting countries, shopping around for suppliers with the lowest prices. Perhaps some products, such as steel, would remain cheaper to import from South Africa, especially in view of transport costs.

b. Fiscal Structure

The fiscal structure in Namibia has been constructed to attract external investment. Low taxes levied on companies combined with generous write-off provisions have had the effect of stimulating overseas finance capital into the mining sector. The taxation structure has been harmonized

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\*Roger Murray, p. 96.

with that of the Republic since 1975. In most new mining ventures, no contribution is made to revenues until the payment of all loans raised to finance the development of the mine.

(1) Revenue and Expenditure

Revenue in Namibia has been collected by two different authorities, with the bulk of all tax revenue centrally collected by the South African tax authorities and then reallocated to the central government budgets. Direct taxes make up about 56% to 62% of total revenue. Africans who constitute about 80% of the population, contribute only about 5% to 6% of government revenue\*, as a result of their extremely low incomes.

The income tax on individuals contribute a relatively small amount to revenues. This tax is levied only on whites and the three coloured groups. Africans pay a head tax which is not nominal given their disposable income. Total revenues from this source rose from 7.7% in 1974/75 to 14.2% in 1976/77.\*\* Income taxes in Namibia are lower than in South Africa and are not expected to increase significantly in the near future, because the income base will probably be lower after independence if there is a large exodus of high-income whites and more equitable distribution of income.

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\*W.H. Thomas, p. 319.

\*\*Ibid.

Tax revenues from the fishing industry and other non-mining companies make up 10% to 14% of total revenue. A decline in the fish catch is expected to decrease revenues from this source. Revenues from company taxes may increase gradually as industrialization expanded, more local companies begin to operate in Namibia, and/or tax rates rise to levels comparable to normal world competitive terms.

Taxes levied on the diamond mining sector constitute the most important tax source in Namibia. Recent sales and profits have been abnormally high in the diamond industry because of expansion of production, the sale of accumulated diamond stocks, and an upward price adjustment. Continued improvements in the diamond industry may provide opportunities for additional levies, therefore, increasing revenues from this source.

Other minerals contribute relatively little to total revenues. Uranium production is expected eventually to contribute a sizeable share of total revenues, but for the present because of policies which allow generous write-offs for capital invested from taxable profits of new mining concessions, Rossing Uranium Ltd is not contributing to revenues. Rossing and other uranium and base metal mines have the potential of contributing a sizeable share of total revenue.

(2) Expenditures

Namibia's public sector is controlled by the central government in Pretoria. Available figures

TABLE 32: Functional Distribution of Government Expenditure in Namibia

	1974/75		1976/77	
	R '000	%	R '000	%
<u>1. General Administration + Services</u>	12 416	6,0%	18 213	5,2%
1.1 Administration, Legislative Assembly	5 432	2,6	7 344	2,1
1.2 Law Administration, Justice, Prisons, Police, Interior, Miscellaneous Services	6 144	3,0	8 152	2,3
1.3 Planning, Public Service, Internal Revenue, Customs and Excise	840	0,4	2 717	0,8
<u>2. Blacks (All except 3.)</u>	33 585	16,2	59 376	16,9
2.1 Bantu Administration and Development	31 119	15,0	55 646	15,8
2.2 Bantu Education	2 466	1,2	3 730	1,1
<u>3. Coloured, Nama, Rehoboth Groups</u>	9 941	4,8	14 107	4,0
3.1 Administration and Development	9 273	4,5	13 102	3,7
3.2 Education	668	0,3	1 005	0,3
<u>4. Economic Services (excl. Homelands)</u>	81 741	39,2	167 715	47,6
4.1 Transport	3 635	1,7	5 377	1,5
4.2 Roads	22 487	10,8	36 103*	10,2
4.3 Agriculture	11 783	5,7	12 804	3,6
4.4 SWAWEK (Ruacana Project)	-	-	48 000*	13,6
4.5 Water	20 552	9,9	30 000*	8,5
4.6 Public Works	16 793	8,1	27 955*	7,9
4.7 Nature Conservation/Tourism	3 195	1,5	4 800	1,4
<u>5. State Enterprises</u>	23 000	11,1	40 500	11,5
5.1 S.A.R.&H. Deficit	15 000	7,2	29 100*	8,3
5.2 GPO - Deficit	8 000	3,8	11 400	3,2
<u>6. Social Services (Mostly Whites)</u>	32 242	15,5	40 096	11,4
6.1 Social Welfare and Pensions	5 282	2,5	6 816	1,9
6.2 Education	12 709	6,1	15 855	4,5
6.3 Health (incl. blacks)	12 107	5,8	14 975	4,3
6.4 Community Development and Housing	2 144	1,0	1 450	0,4
<u>7. Local Government Transfer</u>	14 991	7,2	12 322	3,5
<b>TOTAL</b>	<b>207 916</b>	<b>100,0%</b>	<b>352 329</b>	<b>100,0%</b>

\*Mostly capital expenditure

SCURCE: Compiled from Budget Reports 1974/75 and 1976/77 and information contained in the Report of the Turnnalle Financial Sub-Committee (1976).

indicate that over the 1950's a Reserve Fund was built up, and during the 1960's and early 1970's official budget deficits financed by the South African central government were relatively small. Table I on page 48 gives a breakdown of recent expenditures in Namibia. As noted in the table, the distribution of expenditures is heavily concentrated in economic services outside the homelands, and social services primarily for whites comprising about 60% of the total, while expenditures under the Bantu Administration and Development and Education category comprised about 16% in 1974/75 and 1976/77.

A number of contradicting arguments have been advanced regarding Namibia's budget deficit. Many critics of the South African Administration contend that ambitious infrastructure projects and large security and defence spending have increased the deficit, and that capital and current expenditure items are not separated out. In 1976/77, it is estimated that a gross deficit of about R450 million was financed by South Africa. Defence spending of R250 million in 1976/77 makes up more than half of the gross deficit. If allowance is made for capital spending, with a 10% allocation for interest and redemption added to current spending, the overall deficit is further reduced by R167.1 million.\* In considering these factors, Namibia's deficit is relatively small and is likely to be reduced even further in the near future

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\*W.H. Thomas, p. 245.

with the potential for additional revenues and a reduction of unnecessary expenditures such as maintenance of separate facilities for blacks and whites.

## 2. Employment

Most of the African labor force in Namibia is governed by the contract labor system, similar to that which exists in South Africa. The system makes Namibians aliens in their own country. Distant homelands, such as Ovamboland, serve as a rural base for most Namibian workers who are forced to engage in a contract for a stipulated period of employment, under conditions of virtual servitude.

The economically active population of Namibia is on the order of 40% of the total population with an equal percentage of the male in employment away from their households. Migrant workers number about 25,000 in large-scale agriculture and 85,000 in urban activities, primarily mining related. Approximately 240,000 of the economically active population is employed in small-scale agriculture, 56,000 in large-scale agriculture, and 220,000 in urban employment.\*

The mining industry is a major employer of African labor. The major employers are Consolidated Diamond Mines (CDM) (6,000, Tsumeb (5,000), Southwest African Company (SWACO) (1,100), and Rossing (2,400).\*\* In 1977, total employment was

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\* UN Institute for Namibia.

\*\* Murray, Roger, "The Mineral Industry of Namibia: Perspectives for Independence, Commonwealth Secretariat."

approximately 20,000 including 15,000 from northern Namibia, and 3,500 Europeans, mainly expatriates. Most managers, technicians, supervisors and foremen are European. Namibian advancement to these positions is blocked by legislated and defacto job reservations.

Because a deliberate deemphasis of indigenous agricultural development and the subsequent low productivity of small-scale farming, rural indigenous inhabitants have been forced to migrate to mining centers and other urban areas. On the other hand, white-owned, large-scale agriculture has been actively assisted and subsidized. As a result, large-scale farming generates substantial surplus for export and domestic use. It also contributes significantly to employment of Africans, but at very low levels of remuneration.

### 3. Migrant Labor

In 1976 it was reported that there were only 3,000 Namibians working in the mines of South Africa. This was less than 1% of the African mine labor force. In Namibia, the features of the contract labor system have created conditions of internal migrancy similar to those affecting migrants in South Africa. Most workers are "internal" migrants who commute between the work place and the reserves under an austere contract labor system. The contract labor system is controlled by employers and Pretoria. Since the strike of Damara and Ovambo workers, the system has been modified to give a semblance of free working arrangements.

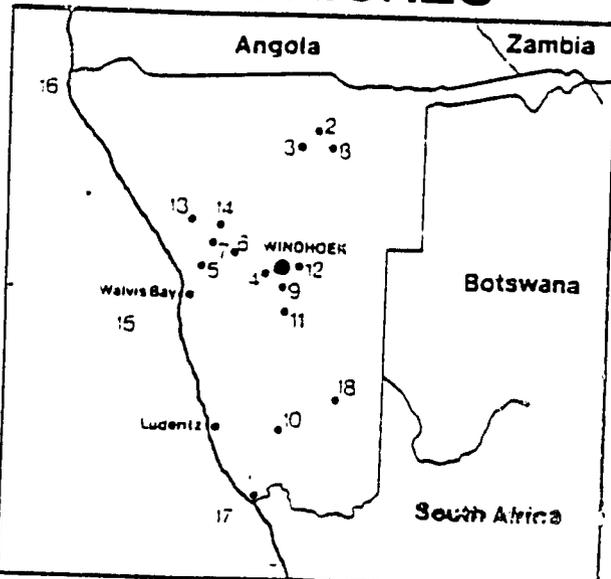
C. Key Economic Sectors and Constraints to Growth

1. Mining

Extensive mineral deposits located beneath Namibia's harsh terrain comprising the Kalahari and Namib deserts and rocky, central plateau have provided the major resources for development of the country's commercial economy. One source on world mining ranks Namibia 17th in terms of production by value in the world and fourth in Africa. The most important minerals in order of production value are gem diamonds, and a large range of base metals, including cadmium, copper, lead, lithium ores, silver, tin, vanadium, tungsten and zinc. To this extensive spread of minerals must now be added uranium, with the start of open pit mining operations at the end of 1976 at the Rossing mine. A second mine is now under development at Langer Heinrich. In years to come the importance of uranium is likely to surpass that of diamond production, hitherto the commercially dominant area of mining activity. Production of these minerals and their related processing facilities contribute a sizeable proportion of the territorial GDP and total exports.

The dominance of mining activities has become greater since 1970, with the expansion of existing output and commissioning of a number of new mines; current estimates place mining in the region of 50% to 60% of the GDP. Growth in the value of commercial agricultural production (sheep and cattle

# NAMIBIA'S MINERAL RICHES



	Mine	Mineral	Company
1	Oranjemund	Da	CDM/De Beers (SA)
2	Tsumeb	Ag,Cu,Pb,Zn	Tsumeb Corp.(UK,US,SA)
3	Kombat/Asis West	Cu,Pb,Zn	"
4	Matchless	Cu	"
5	Rossing	U	RTZ/General Mining/IDC/ Total(UK,SA,Fr)
6	Langer Heinrich	U	General Mining(SA)
7	Trakkopje	U	Gold Fields(SA)
8	Berg Aukas	Pb,Vn,Zn	" /Anglo Am.(SA)
9	Oamites	Cu	Falconbridge/IDC(CA,SA)
10	Rosh Pinan	Pb,Zn	ISCOR(SA)
11	Klein Aub	Ag,Cu	General Mining(SA)
12	Otiyabusu	Cu	JCI(SA)
13	Brandberg West	Sn,W	Gold Fields/Anglo Am.
14	Uis	Sn	ISCOR
15	Walvis Bay	Offshore Oil	Prospecting
16	Orange River Estuary	-	"
17	Orange	Natural Gas	"
18	Huns Mountains	Da	"
19			"

Ag Silver, Cu Copper, Pb Lead, Zn Zinc, U Uranium, V Vanadium, Sn Tin, Da Diamonds, W Wolfram

ranching) and the fishing industry (canned fish and fishmeal) are unlikely to have offset the dominance of mining.

A number of minor mineral deposits are currently worked on a small scale, or have been exploited intermittently in the past, while other known mineral resources have yet to be developed for mining purposes. These include beryllium, columbite, feldspar, gypsum, iron ore, kyanite, marble and sillimanite, manganese and metallurgical fluospar, some of which have been mined in sizeable quantities. There are also reserves of caesium and rubidium rare metals, orthine and rare earth tantalities, silver-bearing bismuthite and radio-active minerals including thorium. Semi-precious stones such as aquamarines, amethysts, beryl, garnet, heliodor crystal (found nowhere else), quartz, topaz and tourmalines are located in recoverable quantities in various pegmatite and petallite outcrops. Over 120 different metals have been identified at the Tsumeb mine.\*

Despite extensive oil exploration activities by a number of transnational oil corporations under the auspices of SOEKOR (Southern Oil Exploration Corporation), the state agency responsible for leasing out concession areas, expectations of the location of off-shore oil and gas deposits have not been fulfilled. In 1974, methane gas was struck in the

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\*Roger Murray, p. 4.

joint Texaco-Chevron (Standard Oil California) concession area some 130 kms out from the Orange River mouth, but although SOEKOR spokesmen described the find as potentially more significant than the gas located off Plettenburg Bay in the Republic, no further development has taken place. An important coal field was said to have been located as a result of the offshore drilling for geological data, which was described by the SOEKOR managing director as the possible equivalent of a large coal or gas field. The locality was not revealed and the development of undersea coal deposits would be technically complex and expensive. There have also been unconfirmed reports of coal deposits in Ovamboland in the north, and reports of an encouraging offshore geologic structure near the Angola border which might hold promise for further oil exploration.

Six mines and their associated smelting, refining and concentrating facilities currently dominate output, the generation of surplus and employment - Oranjemund (diamonds), Tsumeb (copper/lead/zinc), Oamitas and Otjihase (copper, Berg Aukas (lead/vanadium/zinc) and Rossing (uranium). In 1969, according to the most recent official figures, there were nine large mines, 13 medium-size mines, and 34 smaller mining and quarrying operations. Since then, seven mines have been opened at Marchless (1970), Oamitas (1971), Onganja (1972), Asis Ost (1974), and Otjihase (1975), all copper producers as well as

the Rosh Pinah lead/zinc mine (1971), the Krantzberg tungsten mine (1973) and Rossing.

African areas with greatest mineral potential according to the SA Department of Mines are Damaraland (radio-active minerals and rare earths), Hereroland (copper) and Kaokoveld (copper/iron). R577,095 had been spent as of 1973 on exploration by private companies, and 21 licences had been granted by the BMC, which itself had spent R500,000 on geological exploration up to 1973, with a further R440,000 budgeted for this purpose in 1974/75. A large drilling program for copper had been launched in the Kaokoveld at Okohomgo, a geo-physical survey for iron ore was reported to be underway in Ovamboland, and a long-term geological survey of the mineral deposits of Damaraland was then being planned. Actual mining operations started by the BMC as a result of its prospecting activity, consisted of a small sodalite mine in the Kaokoveld (used primarily for ornamental purposes with little industrial application) and a tourmaline mine with by-products in the form of amasonite and quartz chrystals in Damaraland. The sodalite mines were said to be worked by two "black entrepreneurs" with BMC technical assistance.

a. Mining Constraints

Internal Restrictions. South African imposed laws restricts African participation in Namibia's lucrative mining industry largely to provision of contract labor. The

Mines, Works and Minerals Act of 1968 states that "prospecting licences and mining leases may only be issued to members of non-white groups in respect of land reserved for the use of the ethnic group to whom the individual belongs." There are no similar restrictions on the granting of licences to whites. Since 1969, all applications for prospecting and mining rights in "homelands areas" were routed via the Bantu Mining Corporation, now called the Mining Corporation.

The Odendaal Commission of 1964 proposed that rights over mineral occurrences and mines in tribal areas should be "held in trust" for the various communities by the SA Bantu Trust, with provision for their transfer to appropriate "home land" authorities at a suitable point. No such transfers appear to have been made, although royalties in respect of mining rights are theoretically payable either to the SA Bantu Trust or to the relevant ethnic authority.

Restrictions imposed by South Africa have had less impact on growth in the mining industry than the indigenous inhabitants of Namibia. Most of the adverse effects have resulted in a failure to utilize the mineral wealth in the interest of the entire indigenous population rather than to permit rapid exploitation which benefited South Africa and other foreign interests. However, full development of mineral resources in the "Homelands" as well as elsewhere could contribute to growth and development of the economy.

Depletion of Mineral Resources. The expected life of existing deposits and the availability of new reserves are two of the main considerations in determining the pattern of economic development. By nature, minerals are destined to be depleted after years of exploitation. In the case of Namibia, depletion will occur at a faster rate because of the South African attempt to extract minerals at the fastest feasible rate. Diamonds are expected to support current extraction rates for another 10 to 15 years, while the main Tsumeb ore-body has steadily declined in metal content over the last 25 years. Notable declines in metal content has occurred in copper, lead and zinc.

External Dependence. Since Namibia's economy is totally dependent on extraction of primary resources for exports, it is highly susceptible to price fluctuations on world markets. Copper exports have been low in recent years but are now rising once again. Export of luxury commodities, such as diamonds and karakul pelts, could be vulnerable to the frailties of the world market. However, to date, prices of these commodities have risen in value.

## 2. Fisheries

Namibia's fishery resource was among the richest in tropical Africa and was the source of the second largest local industry after mining. In 1975, Namibia was the world's largest producer of canned pilchards, one of the cheapest form

of animal proteins.\*

Virtually all of the pelagic fish catch is used for fish meal (cattle food/fertilizer) and the rest into tinned fish. The catch is consumed almost entirely by upper income groups and provides little, if any, protein for Africans. Most of the Namibian catch is distributed by a single South African firm to markets in the Republic and overseas. Only a small percentage is sold locally. The fishing industry is strongly export based, with 65% of the products sold to the UK, U.S., Japan, France, The Netherlands, Australia and southern Rhodesia.

Walvis Bay is the center of the industry. Small inland fisheries have been established in northern KwaZulu, Ovambo, Okavango, and Caprivi. Fishing areas near Walvis Bay benefit from the cold Benguela currents and the large concentration of plankton, a major food source for schooling fish. This region has long been a favorite fishing area for such species as pilchards (sardines), anchovies, maasbanker tuna, and mackerel. The most important species in the shoal fishing group is the pilchard. Other marine products include rock lobster, shrimps and seals. The pelagic or shoal fishing industry is the largest in Namibia in terms of catches, earnings and value of exports.

\*In spite of the extreme protein deficiency which exists in some of South Africa's African population, resulting in the childhood disease known as kwashiorkor, fish protein is not used as a main food source for human consumption.

The industry started with the first canning factory built in Walvis Bay in 1948 and two others in 1949 and 1950. In 1975, eight factories at Walvis Bay were supplied by about 100 pilchard catchers. Presently more than 80% of the fishing fleets are owned by private individuals rather than companies.

As part of the policy of incorporating the administration of Namibia into that of South Africa, in 1969, the South African Department of Industries took over control of the Department of Fisheries in Namibia and imposed standardization of regulations, services, recording of catches, licensing arrangements and other administrative functions.

In the early years of commercial fishing, catches were much more productive, than recent years because of abundant fish resources. In recent years, catches have declined substantially because of over-fishing, and depletion of plankton species resulting from inadequate enforcement of quotas and the need to extend the offshore limits to the 200 mile boundary.

The deep sea fishing industry in Namibia is small compared to the pelagic industry. Foreign fishing fleets operating off the coast exceeds the number of local South African and Namibia fleets. The South African industry has three major problems: 1) need for increasing investment in the form of larger and more elaborately equipped vessels; 2) rising maintenance and labor costs; and 3) sustained decline in catches resulting from over fishing.

a. Traditional

Caprivi is one of the main traditional fishing areas. Both the Zambezi and Kwando-Linyanti-Chobe Rivers border this area. Lake Liambezi covers about 30,000 ha of which two-thirds is covered by swamp. Apart from many permanent channels, oxbows and swamps, the whole eastern part of Caprivi becomes inundated annually by the Zambezi. A variety of traditional gear is used in catching fish: fences across shallow streams with non-return valved baskets or with kraals; open funnels, employed in fast running streams to catch downstream migrating fish; earth bunds or small dammings of shallow areas where the water and fish are contained until the floods have receded and the fish then collected through valved baskets.

The following statistics denote catches in Lake Liambezi:\*

Year	Fishermen	Nets	Kg Fish /day	Ton Per Year	Daily Income Per Man	Price/Kg
1973-74	92	697	637	21	R1-77	9,7c
1974-75	57	445	279	9	R1-43	10.9c
1975-76	30	187	115	4	R1-82	17,4c

Catches of fish consisted of 80% Cichlids, 13% of Clarias and 7% of other fish such as riger and battlenose.

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\*Ben C. W. van der Waal, "Exploitation of Fish in Caprivi and Ovambo", April 1978.

Ovambo does not have permanent water bodies but is partly flooded every second or third year by an oshana system from the Olduvoi River system. This river system is wedged between the Cunene and Okavango Rivers and runs south over a very shallow gradient where it is divided over a number of channels or oshanas and eventually drains into Etosha Pan. Catches in this area consist of small barbus or minnows and clarias as well as a few other species. The total catch over a one day period was estimated at 4.2 tons of fish, consisting mainly of small barbus and young clarias.\* The fisheries of Ovambo, although largely of a temporary nature, are an invaluable asset to the country. Olushandja Dam as well as Oponono Lake could provide a more permanent source of protein for people in this region if managed and fished correctly. Extensive fish farming in Oshanas near the canal is another possibility for the future.

b. Depletion of Fishery Resources

In recent years, considerable concern has been expressed over depletion of the coastal fish resources as a result of over-fishing. During the period 1967-69, two South African factory ships operated off the Namibian coast, fishing primarily for pilchards which was processed at sea and landed at South African ports rather than in Namibia. The total annual catch in these three years averaged 1.41 million tons per year.

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\*Ben C. W. van der Waal, "Exploitation of Fish in Caprivi and Ovambo", April 1978.

In 1969, the South African Department of Industries assumed control of Namibian fisheries, banned the factory ships, and instituted stricter conservation measures including quotas and the establishment of "off-limits" areas. The International Convention for South East Atlantic (ICSEAF) was set up, and some studies undertaken to assess the extent of damage to the fish population. Since Namibia's boundary does not extend to the possible protection zone of 200 miles from the coast, over-exploitation of fishery resources in this area is possible. A study of the industry found that if the quotas for 1968 were filled, the resource would be pushed beyond its critical limits and would begin to collapse in 1969. Exploitation continued and collapse set in from 1969-1971. This resulted in strict control measures in 1972. The critical limit was again exceeded in 1975, resulting in destruction of pilchard resources.\* Over-fishing continues to be a very real threat to the fishing industry.

At a recent meeting of the ICSEAF, South Africa indicated that unless foreign trawler operations reduced catches of pilchards, the resource faced extinction. In 1977, the permissible intake of raw pilchards was placed at 200,000 tons. Lifting of pilchard by land-base factory operations was limited to 125,000 tons in the 1978 season.\*\*

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\*Jan Lochner, "Building Up a Ruined Industry", The (Johannesburg) Star, September 23, 1978, p. 15.

\*\*Africa Research Bulletin, Jan 15-Feb 14, 1978.

In spite of quotas and other regulations to reduce over-fishing, South Africa has not taken appropriate enforcement measures. Consequently, Namibia's fishery resources continues to decline, creating a situation which will require immediate action by an independent Government to avert total destruction.

### 3. Agriculture

Agriculture in Namibia is sharply divided between a modern and traditional sector. In the white-owned modern sector, agriculture consists almost entirely of livestock ranching. In the central and more moist northern regions, cattle farming is predominant, and in the drier areas to the south, karakul sheep farming is predominant. Farmers also keep various other domestic animals for their own requirements, and very limited amounts of food crops are grown on small irrigated fields.

In contrast to mining and fishing, most of the farms belong to Namibian residents. This is true of all of the subsistence and cash crop farms in the "Homelands"; and it is also true of most of the 6,324 farms held by about 5,000 white Namibians, almost all of whom are German and Afrikaans-speaking. A small number of farms belong to civil servants, professionals and businessmen.

The importance of agriculture in Namibia's economy is shown by its contribution to GDP (15%), exports (20%), and

its contribution to employment (approximately 50%). Less than 2% of the agricultural sector's contribution to GDP is derived from commercial field crop and horticultural production, while 96.6% is derived from livestock production. Because of the rapid growth in total exports resulting from the opening of the Rossing uranium mine, and a declining fish catch due to over-fishing, it is estimated that a relative decline occurred in the contribution of agriculture and fishing in 1977.

Beef and karakul sheep production dominate the agricultural sector, together accounting for over 80% of the gross value of agricultural production. The only other agricultural product which contributes more than 5% of the value of production is dairy products. Field crops and horticulture production provide less than 2% to total production.

Cattle raising is the single most important agricultural enterprise in Namibia. Cattle are raised by commercial white farmers in the central plateau hardveld, and by black farmers throughout the country but particularly in Ovambo and Kavango. White commercial farmers produce most of the cattle for market. For the past 20 years, their herd size has varied between 1.5 million and 2.1 million head.

The administration of South-West Africa has not published recent statistics on the size of the African-owned cattle herd. It is estimated that African-owned herd size in 1972 was approximately 870,000 head. This is fairly consistent with the last published official data. Between 67% and

83% of these cattle were located in the northern region. Because the southern region is subject to much greater variability in rainfall, the variability of herd size in that region is much greater than in the north.

From 1968 to 1976 total cattle sales have varied from a low of 312,000 head to a high of 583,000. Approximately 75% are shipped live to South Africa annually. Some 32,000 head are consumed locally, while the remaining marketed cattle are slaughtered in Namibia and then exported, primarily to South Africa.

Karakul Sheep. Karakul pelt production is the second most important agricultural enterprise in Namibia in terms of sales. The karakul is a dual purpose sheep since its meat, although not of the highest quality, finds a ready market in South Africa. As a result, during periods of depressed Persian lamb prices, the lambs may be kept for the mutton trade.

Production is concentrated in the southern plateau hardvelt, a region with as little as two inches of rain annually. Here the karakul thrives on desert shrubs which cattle find unpalatable. Approximately 3,000 white farmers, employing 20,000 contract workers, raise karakul. In the early 1960's, the herd size numbered about 3 million. Sheep numbers have since increased rapidly, and by the mid-1970's there were reportedly about 4.8 million head. This probably represent the upper limit of sheep numbers.

Exports have also increased rapidly. In 1960, slightly less than 2 million pelts were exported. Ten years later, over 3 million were exported. Prices have also increased from R4.38 per pelt in 1960 to R8.09 in 1971, approximately R 23 in 1977. Almost all of the pelts are sold through three auction houses, two in Great Britain and one in Denmark. The largest markets are West Germany (60%) and Italy (20%).

The major challenge facing the karakul industry is to find a means of maintaining herd size without damaging pastures through overgrazing or extending to lands which could be utilized for domestic agricultural production. The industry must also address the changing demand toward light colored pelts relative to dark. Meeting this change in consumer preference will require increased research and breeding programs.

Dairying. Milk and dairy products are largely by-products of the beef cattle industry. In 1966, 113 million pounds of milk were produced. Of this amount, 82.9% was made into butter, with the remainder being consumed as fresh milk (14.9%) and cheese (2.2%). Dairy production appears to have declined over the past 20 years, in part because of droughts. Production has also declined because of restrictions imposed by the South West Africa Dairy Industry Control Board which regulates the industry.

Food Supplies and Crop Production. Staple foods produced in northern Namibia are millet and corn. Other products include sorghum, wheat, beans, tobacco, potatoes, groundnuts,

pumpkins, cabbage, and melons. Most of these are grown by Africans in the north. On white-owned farms, maize and wheat are grown, primarily for home consumption and for animal feed. During favorable years, the northern region is self-sufficient in food. However, the South normally must import a large proportion of its food supply, including grains, vegetables, and fruit. In 1970/71, 115,568 tons of maize and maize products and 13,621 tons of wheat flour were imported from South Africa. The following year, 30,455 tons and 14,704 tons respectively were imported. No reliable recent data are available for either production or imports. However, it is probable that given official neglect of African agriculture import dependence on food imports from South Africa have increased.

Land. Namibia contains 82,432,000 hectares, of which 50% is held in white-owned farms. "Homelands" account for 25%; game parks and reserves, and nature reserves occupy 7%; and an additional 10% represents government lands. The remaining land is in towns (1%), diamond production areas (7%), and the non-urbanized area of the Walvis Bay enclave. Little land in Namibia is suitable for normal dryland agriculture. Only in the northeast corner of the Caprivi strip are yields fairly stable and total crop failures virtually unknown. In the remainder of the Caprivi strip and along the Okavango River marginal dry land cropping is possible. Crop production is not possible in 68% of the country; it must be utilized

for grazing. Hence, most crop agriculture is found in northern Namibia. Only small quantities of grain are grown in the south. Substantial quantities are imported annually.

Carrying capacity of livestock declines from the northeast to the southwest. In the Namib desert, no agricultural activities are possible. Due to the dryer conditions and lack of grass, only small stock may be kept in the far south, the center of the karakul industry. In central Namibia, both small and large livestock are grazed, while the north is best suited to large animals.

Because a large share of the population is dependent on imported food, purchased with the export earnings of agriculture, a major decline in production could have serious nutritional and economic consequences. Not only will the welfare of the white farm population be affected, but also the 30,000 Africans who work on the farms.

Labor. The agricultural labor force is employed both in the subsistence sector of the homelands and in modern agriculture of the white regions of Namibia. In 1977, almost a third of the national labor force was employed in subsistence agriculture. Over the past decade, the number of Africans employed in the modern agricultural sector has declined as capital was substituted for labor. The reasons for this are unclear, although several authors have speculated that it may reflect white farm owners' and managers' concern for their security in view of the political unrest in the nation.

Decline in employment could also reflect the changing relative prices of capital and labor.

When Namibia achieves independence, the new government must confront the issue of how to reduce current employment inequities without incurring out-migration of qualified whites of such a magnitude that the economy is severely disrupted. Because of past policies of discriminatory education and job reservation, few Africans have either the necessary training or the requisite experience to immediately step into administrative and technical positions. The bulk of the agricultural institutions provide services only to the white minority of the country. However, an agricultural training center and experiment stations serving the northern region of the country were recently established.

Veterinary services are very dependent on the resources of South Africa for provision of vaccines (over 1.4 million doses per year), research on diseases affecting Namibia's cattle, and personnel to assist local staff when epidemics break out which require more personnel than are available in Namibia.

Credit. Little has been written about the availability and use of agricultural credit in Namibia. However, there are at least three organizations that provide some capital to agriculture. The most important is the Land Bank of South West Africa, which assists whites to purchase farms. This

mortgage credit was especially designed to attract white settlers to the country. In addition, the Rehoboth Investment and Development Corporation assist Rehoboth farmers; and the cooperative movement of Owambo provides short-term credit for the purchase of agricultural inputs such as fertilizer, seeds, and chemicals. Both institutions are handicapped by a shortage of capital.

Water. Scarcity of water is a major limiting factor in the development of Namibian agriculture. As previously noted, only in the northern reaches of the country is rainfall sufficient to support crop agriculture. Except where irrigation is feasible, the remainder of the country must practice livestock production, and must import a substantial amount of food each year from South Africa.

It has been estimated that without additional water supplies, national demand will exceed supply soon after 1990. By the year 2000, demand is expected to be almost double the domestically available supply. Hence, Namibia must seek ways to utilize the water of rivers on its boundaries.

Livestock Diseases. Namibia's livestock industry is vulnerable to attack by animal diseases such as foot and mouth, brucellosis, anthrax, east coast fever and lungsickness. In Owambo and Okavango the occurrence of contagious cattle diseases such as bovine pleuropneumonia, foot and mouth disease, lumpy skin disease, blue tongue, black leg and anthrax limit the marketing of livestock on the hoof. Until recently, marketing

in the south of animal products from the northern areas was forbidden because of the danger of spreading diseases. Construction of quarantine camps at Omutambo Maowe and Magetti has permitted limited marketing. Stock from the northern area may now be slaughtered at Otavi for local consumption.

#### 4. Manufacturing

Namibia's manufacturing sector is small. It contributes 10% of GDP and provides about 10,000 jobs. The major manufacturing activity is centered around the processing of foods for export. Of total manufacturing output, two-thirds of total value comes from food product, primarily fish. Fish accounts for about 72% of total food value. The remaining 28% includes meat (20%, cheese (2%), and other food products (6%).

Second in importance is the manufacturing of metal products. Other manufactures include construction materials, consumer goods, and miscellaneous items. Recently, a bottling plant, cement factor, and a clothing and footwear facility was constructed. Since most consumer, capital, and intermediate goods are imported from RSA, there has been a lack of incentive to develop local industries.

Limited Manufacturing Potential. Namibia's manufacturing sector is constrained by scarce manpower; inadequate economic infrastructure, notably power and transportation; and the lack of potential linkages with other sectors.

In general Namibia's manufacturing industry has been handicapped by South Africa's commercial and political policies. The South African Customs Union, in which Namibia holds de facto membership, hinders development of manufacturing because of strong competition from producers in the Republic of South Africa. RSA has always viewed Namibia as a colony in the traditional sense, that is, a source of natural resources and a market for manufactured goods. South African investments in Namibia have taken place only to secure raw materials extraction. It has actively discouraged processing, except that which is required to reduce the cost of transport. Any additional processing is carried out in RSA.

The three major sectors of the economy, i.e., mining, agriculture and fisheries, are characterized by certain features which limit manufacturing. First, in mining, there is no local manufacturing base. Mining inputs are imported from RSA. South Africa has carried out policies to prevent Namibia from processing its resources in order to encourage all processing in the Republic.

Second, agro-industries are handicapped by the lack of development of the agricultural sector. Even Namibia's cattle are shipped to RSA on the hoof to be slaughtered. South Africa has also prevented Namibia from slaughtering its cattle so as to prevent trains carrying consumer goods to Namibia from returning empty. Such policies reduce the

transport cost but also prevent development of manufacturing in Namibia. Although the country's agricultural sector suffers from many natural constraints, it is capable of producing enough to sufficiently meet domestic needs. Failure to raise the level of agricultural productivity is a potential block to development of processing food for domestic consumption and export.

Fish processing is currently the major manufacturing activity taking place in Namibia. However, the fishing industry is highly specialized and controlled or owned by South Africans. Namibian involvement is limited to providing contract labor for the industry at Walvis Bay and fisheries in northern Namibia are not sufficiently developed to support a manufacturing industry. With the exception of fish products in the north, very little fish produced in Namibia is sold and consumed in Namibia.

Like other sectors in Namibia, the manufacturing sector is constrained by the lack of managerial, technical, and professional skills. Africans have traditionally been excluded from secondary and tertiary production which took place in the modern sector. In addition, South Africa did not provide technical and business education for Africans. Consequently, there is an acute shortage of entrepreneurial and management skills among Africans.

Power is another constraint. Because of the vast distances involved, a national power network has not been

feasible. Industries have to use diesel fuel or import coal from RSA over a distance of some 2,000 km, thus increasing costs substantially. Construction of the Cunene scheme promises to improve the power situation if political issues are resolved. And if demand for industrial power is sufficient to require more power-generating capability.

5. Transportation/Telecommunications\*

Namibia's extensive road and rail system was developed to provide outlets for mineral extraction and other primary commodities. Even though the country has a good rail and road system with adequate air service and the modern, efficient port of Walvis Bay, there are no adequate links with neighboring countries, with the exception of South Africa, and most of the northern "homelands" lack feeder roads.

a. Roads

Major capital expenditures between 1964 and 1974 have gone into improving the road transport system. Between 1965 and 1971, over R17 million was spent annually to improve the system. In 1953, there were no paved roads. By 1963, there were 447 km, and by 1973, 2,772 km had been paved. Over the same 20 years, road bridges increased from 35 to 373. Major roads connect Cunene and Oskakati with Tsumeb (the ore mineral mining center) in the north; Tsumeb with Walvis Bay and Windhoek; Windhoek with Gobabis (livestock producing area)

\*Statistics extracted from SADAP Transport Sector Paper.

in the east, Walvis Bay in the west, Keetmanshoop (karakul production), and South Africa in the south; and Luderitz with Keetmanshoop. Other areas, notably potentially productive agricultural areas in the north, lack adequate hard surface roads. Recent road construction by South African security forces north to Grootfontein and into the Caprivi strip have left only a short link to Katima Mulilo and Livingston before Walvis Bay would be linked to Zambia by an all-weather road system.

b. Railways

Namibia's rail service is owned and operated by South African Railways (SAR). Therefore, the South African Government has total control over a critical element of Namibia's economy. Currently, the Southwest Africa system of SAR includes all rail lines in Namibia, plus the line of rail south of Namibia that runs from De Aar to Nakop.

Extensive mix of goods create difficult operating problems for the system. Loads hauled to Namibia require a different kind of car than loads from the country. Because of this, both types of cars must be hauled up to 1,000 miles, although one car will ride empty on the way up, while the other will be empty for the return. The same problem often occurs with internal shipments, for example, the goods needed at Tsumeb cannot ride out in the same cars which brought copper to Walvis Bay. This situation has further encouraged

South Africa to enforce practices which stifle development in Namibia, such as the practice of shipping live cattle, rather than encouraging an abattoir in Namibia so greater value added could be retained in Namibia.

As a result of the high construction costs and forced operating inefficiencies, the rail service operates at constant losses. By 1970, accrued losses totalled R63 million. After independence, Namibia would probably incur additional losses as a result of manpower shortages, and the resulting inefficiencies which will be created. Namibia's railway is already experiencing difficulties in this area. Some of the difficulties would be averted if an arrangement could be made with South Africa to ensure local operation of rail service and maintenance. All maintenance is now done in Capetown and Uppington in South Africa.

c. Civil Aviation

Namibia has four airports and some smaller fields and land strips. South Africa Airways (SAA) makes 20 direct return flights every week between centers in the country and the Republic and two SAA planes per week connect in Windhoek with international flights. In 1972/73, the major airports handled 154,900 passengers, with the overwhelming majority going to or from South Africa. Licensing of Caprivi Airways offers an additional air route in northern Namibia, even though it is primarily geared to tourist services.

As is the case with rail and road transport, air travel does not pay for itself in Namibia. The great distances and small load factors result in losses for the airlines, with SAA losing almost R1 million per year on Namibian services between 1962 and 1972. As in the case of rail services, Namibia's air routes must be restructured to eliminate losses incurred by inefficiencies in the system, and to reroute services to adapt to development needs, rather than to fulfill South African demands.

d. Ocean Ports

There are only two operational ports in Namibia -- Walvis Bay and Luderitz. Both ports are operated by South Africa. Swakopmund was a functioning port under the Germans.

Walvis Bay is Namibia's most important harbor. It has been modernized and equipped with efficient unloading, loading, and repair facilities and there are plans for another R8 million in development expenditures.

Luderitz is the main port for the rock lobster industry. While it cannot replace Walvis Bay, Luderitz has the potential of providing additional services with further improvements.

At one time, a plan was being considered to develop Mowe Bay, a small indentation 270 miles north of Walvis Bay. In return for developing a fishing harbor at Mowe Bay,

the Sarusas Development Corporation was granted a pilchard quota of 90,000 tons. Even though 4.5 million Rand was allocated for construction of the fishing harbor, the Mowe Bay project was postponed indefinitely due to problems in harbor development.

e. Walvis Bay

The position of the U.N. General Assembly for Namibia is that Walvis Bay is geographically, economically, historically and legally a part of Namibia. South Africa claims jurisdiction over Walvis Bay under the British claims predating the U.N. mandate.

Resolution of the problem carries particular significance for independent Namibia because Walvis Bay is crucial for the growth and development of Namibia's economy. In addition to being the only deepwater port, it is the center of essential economic activities. For example, the mouth of the Kuiseb River, in the Walvis Bay enclave, is the source of power and water for parts of Namibia. It is also the source of water for Rossing uranium production. The port is also the base of Namibia's fishing industry. Aside from its economic significance, Walvis Bay is strategically located.

f. Inadequacy of the Transportation Network.

Namibia's transportation network has not been constructed to serve broad agriculture development needs. Road and rail systems are geared toward Walvis Bay and South Africa

to facilitate external trade. The system is efficient for getting goods out or into the country, and for the mining sector, but does little to encourage development in predominantly African areas or to encourage trade and exchange of goods and services with neighboring countries. Upon independence, the system will require re-examination to determine areas which need improvement to benefit the entire population. More extensive development is necessary in the northern areas where population is concentrated, and infrastructure is most deficient.

There are several technical problem areas relating to the national road system. With the country's size, low population density, physical conditions and climate, construction is a very difficult task. Roads to carry heavy traffic must be built over great distances without a gravel bed because in many parts of the country, gravel is nonexistent. Bridge foundations would have to be driven through as much as 30 meters of sand in order to rest on bedrock. In the Namib, special barriers against wandering dunes would have to be erected.

g. Telecommunications

Post office and telephone/telegraph services are fairly developed in white areas. The number of telephones have increased substantially, while the post office has proceeded to modernize exchanges. From 1970 to 1973, the trunk

lines increased from 594 to 984, making a total of 13,900 miles of physical trunk lines. During the same period, 19 major projects involving the laying of underground cables were completed at a cost of R1 million. Up to 1973, 377 telegraph channels, representing 66,700 miles of circuit, had been installed with work progressing on an additional 55 circuits representing 9,300 miles of physical lines.

Lines are linked to South Africa's system. Consequently, Namibia will be unable to have any international communications without going through South Africa until construction of its own ground satellite station.

V. Development Goals -- Past and Present

After independence a comprehensive development plan will be necessary to provide a framework for changing past trends. The development plan must be cognisant of certain fundamental principles, i.e., equality, justice and respect for the desires of the Namibian people. Under the South African regime, these principles were not taken into account. However, Namibians have been involved in a slow arduous process to effect changes in the social, economic and political institutions, both internally and externally. This gradual process is displayed in the:

- (1) Odendaal Plan
- (2) Turnhalle Conference
- (3) Political/Economic Programs of SWAPO and other Namibian groups.

The Odendaal Plan reinforced South Africa's views on separate development and denigration of Namibia's people. The Turnhalle Conference, a decade later, recognized the need for involvement of indigenous Namibians in the planning process. Neither the Odendaal Plan nor the Turnhalle Conference envisioned the sweeping changes such as those proposed by SWAPO to end South Africa's rule.

In Namibia, South Africa's presence and apartheid policies pervades every aspect of society, making development synonymous with South Africa's interest rather than the development and advancement of the people of Namibia. Instead of equitable development, steps have been taken to encourage accelerated exploitation of mineral and fishery resources by South African and foreign companies prior to independence. Even though plans were devised to promote certain development goals in Namibia, these plans were not developed in the interest of the entire population, particularly non-whites. Under persistent pressures from Namibians and the international community, South Africa made minor concessions to improve conditions in African "Homelands." Perhaps as a tactical measure to counter SWAPO, most of the "development" projects were concentrated in Ovambo areas.

South Africa's "development" programs were based on recommendations of the Odendaal Report which was predicated on maintaining the status quo; essentially sustaining minority dominance over Namibia's indigenous population.

A. South African Administration

During South Africa's administration of Namibia, direct development expenditure was primarily in the form of infrastructure within the "Police Zone" (roads and railways); loans and subsidies to the Windhoek Administration and the White farming community. Development expenditure through-

out the territory began only with the implementation of the recommendation of the Odendaal Commission of Inquiry into SWA Affairs (1962-1963). The Commission recommended the expansion of water and power supplies, further development of mining, and integration of Namibia's administration with that of the Republic as the prime requirements for economic development. It outlined details for the creation of ten tribal "homelands" or "Bantustans" on the basis of the existing African reserves inside the "Police Zone" and to the north. A program of irrigation projects and investment by South African State agencies, particularly in the northern "homelands", was also recommended.

Two acts were passed in 1968 and 1969, to establish the framework for proposed programs: (1) the Promotion of Self-Government for Native Nations in SWA Act (amended in 1973) providing for the constitution of "homelands"; and (2) the SWA Affairs Act containing provisions for the administrative financial arrangement. The largest item of expenditure was the Cunene River Hydro-electric scheme.

1. Improvements in Infrastructure. Most of South Africa's investments were in infrastructure in predominantly white mining and farming areas and to support the war effort in the north. From 1965 to 1971, R104 million had been spent to improve the road system, which by the end of 1972 included 2,756 kilometers of tarred roads and a

further 303 kilometers under construction. As of March 1972, R220 million had been invested by the South African Railways and Harbours Administration. By 1974, a total of \$138.75 million had been spent on 177 domestic water supplies schemes constructed and operated by the state. Although most of the services provided had been in white-owned areas, a total expenditure of \$565 million was proposed for the "homelands" of which R60 million was for Ovambo. However, over the period 1965-1971, only \$14 million was spent on road construction and maintenance in Ovambo, primarily to transport passengers and goods between the two railheads at Groofontein, Tsumeb, and Ovambo. The largest public scheme for development, the Cunene River Basin scheme was considered to be a scheme from which substantial benefits will be derived in the Ovambo homeland. Previously, the Ovambo Administration had undertaken measures to obtain a more dependable water supply in the area by extending existing water holes and excavating dams to enable them to hold water, particularly in case of drought.

In view of increased demand and the requirements of development planning, a "master water plan" for Ovambo was drawn up which made provisions for water requirements until the year 1990. An important element in this plan was the defunct agreement between South Africa and the

Portuguese Government of 1969, which granted the right to pump up to six cubic metres of water per second from the Cunene River at Calueque in Angola and to take this water across the border into Namibia. However, this agreement is no longer valid and it will be necessary for an Independent Government to negotiate a new agreement with the present government of Angola.

A R595 million "master water plan" for the whole of Namibia up to the year 2000 was announced in mid-1974. It called for construction of a grid of canals and pipelines throughout the country. Plans include 550 kilometers from Cunene to Walvis Bay; canals from Okavango River on the northeast border to Tsumeb/Grootfontein/Otavi; and pipelines and canals from underground sources near Tsumeb and Windhoek.

2. Development of Agricultural Resources. According to information as of October 1974, the Bantu Investment Corporation was planning agricultural projects northwest of Ovambo for the production of cotton, nuts, sunflower seeds and other crops based on research at the Mahanene Research Station.

Aside from the Mahanene Station, an Agricultural Research Center at Orongo assists in determining correct use of fertilizers, improved cultivation practices, suitable crop varieties and problems of saline soils. Limited

research services in agriculture are provided in South Africa by a number of organizations.

3. Human Resources Development in Ovambo. A few Ovambo agricultural extension workers were trained at South African agricultural colleges until creation of a training facility in Ovambo. An agricultural college accommodating 120 Ovambo students was completed recently at Orongo. Beginning in 1972, students were enrolled for three year training periods. Courses consist of theoretical and practical as well as academic subjects. After completion of their courses, students will be appointed as Extension Officers in the Ovambo Department of Agriculture. As of 1976 only 12 Extension Officers were trained, far short of the 400 needed to advise farmers.

B. Turnhalle Conference

International and internal opposition to the Odenaal Plan resulted in efforts to devise other proposals. Eventually, the Turnhalle Conference was organized and financed by South Africa. It was composed of a multi-ethnic group of moderates who advocated independence for Namibia. Turnhalle Committees agreed to several general measures to accelerate economic development\*:

(1) Socio-economic development of less developed regions.

(2) Appointment of experts to consider areas where

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\*W.H. Thomas, p. 65.

development could be accelerated.

- (3) Ethnic or regional authority involvement in planning.
- (4) Acceleration of economic growth and redistribution of income within the context of a free enterprise economy.
- (5) A growth oriented development policy with particular emphasis on Namibia's dependence on South Africa for financial assistance.

C. Proposed Development Goals

1. Indigenous Groups. Certain indigenous groups advocating independence propose to make radical changes in the present policies and programs of South Africa. While the South West African People's Organization (SWAPO) is not the only group that proposes comprehensive changes upon independence, these proposals are the most extensive and they embody mechanisms to redress grievances of Namibians and alter most of the remaining legacies of South African rule.

SWAPO has established some guidelines and strategies for developing Namibia when independence is attained. In cooperation with the UN and other prospective donors, some concept papers have been developed to utilize Namibia's resources for more equitable growth. The present political structure and ensuing political turmoil prevent

the formalization of development plans acceptable to the vast majority of the population. Other groups, notably the Namibia National Front, have also proposed strategies for Namibia's development, but on a more limited scale.

The external wing of the South West Africa People's Organization (SWAPO) has drawn up the Political Program and Program of Action outlining its economic policies for independent Namibia. Even though the program emphasizes socialist principles it remains flexible enough to incorporate elements of private enterprise. In common with many other African groups which advocate modified forms of socialism, SWAPO appears likely to accommodate large-scale private participation in the economy. SWAPO has emphasized that the final form of its economic program will be determined by the needs and demands of the people, and not the dictates of any particular ideology.

The following are some of the policies outlined in the national program:\*

- (1) Four types of ownership will exist:  
state owned, partially state owned,  
cooperative, and privately owned enterprises;

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\* Regionald H. Green, "Namibia in Transition Toward a Political Economy of Liberation", Paper presented at African Studies Association, November 1978, P 5.

\* Ibid.

- (2) Natural resources and the principal means of transportation, communication, radio, posts and telecommunications, etc., and mass media, will be owned by the state or by people's organizations or societies. A central bank and "people's owned" commercial, agricultural, and cooperative banks will be established, but no private or foreign owned banks (except for those currently existing which "enter into new agreements" with the government).
- (3) Private ownership of property and the means of production will be allowed only if it serves the interests of the people and is useful to the economic development of Namibia. Private property (dwelling houses, savings accounts, etc.) resulting from labour performed or justly acquired will be inviolable. Where privately owned enterprises already exist, new agreements will be negotiated.
- (4) Comprehensive agrarian reform will be undertaken, abolising colonial land

rights, and requiring new agreements defining the terms by which the land or or parts thereof can be owned;

- (5) All forms of exploitation will be abolished, specifically the contractor labor system, child labor, and the servant system. (Equality of access to work, removing rural/urban inequalities and provision of education and training are integral to eliminating exploitation.)
- (6) Health and education services will be the main features of social programs. Health measures include preventive, curative, paramedical, and specialized services in rural and urban areas. As an integral component of national self-reliance, education is intended to provide managerial and technical personnel, expand literacy, and create a national cadre of educators.

External Programs. The UN has been at the forefront of international efforts to bring about independence. Three major steps were taken:

- (1) Following the action taken by the Organization of African Unity (OAU) in 1965

to recognize SWAPO as the only representative of the Namibian people, in 1973 the UN General Assembly recognized SWAPO.

- (2) The UN Council for Namibia, which was established in 1967 in Gares 2245 (s/v), became more active in 1978 in its role as administrator for the affairs of Namibia.
- (3) In 1974, the UN Institute for Namibia was created to (a) provide training and education for Namibians; (b) to carry out research and prepare reports on research and prepare reports on research work; and (c) to publish the documentation required by the liberation movement and the government departments of independent Namibia.\* In collaboration with SWAPO's central organization, the Namibia Institute and other UN agencies, the Council for Namibia, developed the "Nationhood Programs," which are being developed to facilitate transition to independence. Nationhood Programs cover a broad spectrum of development-oriented matters (see Annex A).

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\*Africa Bureau Fact Sheet 53, "The Namibia Institute", January/February 1978.

VI. Role of Foreign Assistance

A. Donor Roles

Namibia's indigenous population will need development assistance cooperation. The amount and type of assistance will depend on the priorities of the new administration at independence and the national decisions that evolve regarding the priorities of development. However, it is evident that Namibia's problems are of such magnitude that substantial amounts of assistance will be required to promote specific improvements in agriculture, manpower, transportation routes, and to make other adjustments necessary to ensure stable economic growth and satisfaction of basic human needs.

B. Foreign Assistance Needs

1. Manpower

Foreign assistance is most urgently needed to build up manpower capability. Programs of immediate concern are:

(a) building up at least some cadres of Namibian managerial/executive and professional/technical personnel to operate key institutions and eventually phase out dependence on expatriates in these categories;

(b) rapid training of large numbers of Namibians to hold para-professional and para-technical (e.g., primary school teachers, adult educators, field level agricultural

workers, laboratory and factory technicians, bookkeepers, village council and production team secretaries, and financial officers), supervisory, skilled and semi-skilled positions;

(c) devising and providing training relevant to the needs of the rural households, including access to more productive land, to sustain and increase output for their own use and for meeting urban food and export earning (import capacity creating) requirements;

(d) providing retraining opportunities linked to employment creation for those workers (e.g., in domestic service) likely to be displaced by the initial phase of the transition from the colonial to the independent political, economic and socio-political structures; and

(e) develop a mass adult education program directed to providing basic educational needs including ability to communicate in an acceptable common language, reading/writing/number manipulating and their applications to agriculture, health and sanitation, nutrition, child and mother care, construction, culture, workplace, and community participation for all Namibians.

## 2. Mining

Mining is the key sector of the economy and must be maintained while other sectors are being developed. Again, manpower needs are of paramount importance. Foreign assistance can supplement efforts to organize institutions to enable the government to develop and implement mining sector policies.

The task of organizing for negotiations will be an important one for the government. Discussions with the companies or the initiation of policy changes should be preceded by a careful choice of policy objectives and by the establishment of a government capability for implementing mineral sector policies. This might include a state mining secretariat or ministry and the arranging of access to outside sources of expertise and assistance.

Manpower needs in the mining industry will require careful consideration in view of the large numbers of expatriates required. It should, however, be possible to secure manpower to keep the mining industry operating at the desired level, although the cost of such personnel may be somewhat higher than at present.

## 3. Agriculture

(a) Professional Manpower. With independence, some agriculturalists and veterinarians will leave Namibia. The actual number that departs will depend to a large ex-

tent upon the kind of relationship which exists between the South African and Namibian governments, the attitude of the Namibian government towards whites in general, and the economic organization and salary policies of the new government.

Ultimately, Namibia can replace departing expatriate professionals with Namibians, but because few have been trained to date, foreign assistance will be required in the interim period. In particular, demand will be for veterinarians, animal and plant scientists to operate research and training programs, and lower level agricultural administrators to help develop and direct extension, training and research programs.

(b) Research. The primary focus of past agricultural research programs in Namibia has been to service the white-operated commercial livestock sector. In this respect, an effective domestic research activity has been carried on, and this effort has been back-stopped and supplemented by research institutions in South Africa. However, little effort has been made to develop research institutions designed to serve crop agriculture.

Namibia has a very limited reservoir of research data and basic information upon which to draw. The basic parameters of the agricultural sector are unknown, or at least unpublished. A critical need is to mount the

necessary surveys to determine the availability and current use patterns of the basic agricultural resources of the country.

After baseline data are collected and analyzed, programs to develop alternative cropping patterns and practices, livestock management systems, market potentials, etc., must be carried out.

Because of the lack of trained Namibians, any initial expansion in research activities will depend upon the availability of the services of expatriate scientists. Moreover, construction and equipping of research facilities is very costly, particularly in terms of foreign exchange. Hence, there will be a need for substantial foreign economic and technical assistance in this area.

(c) Education and Training. At the present time, Namibia has three institutions for training middle level agricultural technicians, with a combined capacity of producing 100-125 graduates per annum. This is clearly insufficient to meet Namibia's needs. Foreign assistance could play an important role in assisting to expand the facilities of these schools and to upgrade their professional staffs.

Although there are insufficient numbers of Namibians to staff an agricultural university and although the long-term needs for such an institution are unclear,

some thinking about this is in order. However, Namibia must expand its core of professional agriculturalists, and one alternative for doing so is to join with Botswana and Swaziland in operating the University of Botswana and Swaziland. This would provide Namibians with ready access to an agricultural university. Another alternative would be to send Namibians to other African universities or to European and American universities. Foreign assistance is likely to be required to adequately fund either of these alternatives.

(d) Irrigation and Water. A major priority of Namibia will certainly be to continue to develop water resources. This will entail irrigation schemes, drilling additional boreholes, building of catchment ponds, and construction of dams and canals to harness boundary river waters. The cost, both in terms of financial resources and manpower, will be tremendous. There will be substantial need for international assistance in funding the planning and construction of these facilities and providing expatriate professional expertise. It will also require developing plans for water use throughout the region, including the contiguous areas of bordering countries. This should include small scale new boreholes and small scale dams for water catchment.

(e) Other Infrastructure. In order to develop its agricultural economy, Namibia will need farm-to-market roads, particularly in the north, market and storage facilities, housing for agricultural workers and their families, rural electrification systems, rural household and farm potable water systems, extension of railway lines to the north, rolling stock for railways, etc. All of these will require assistance from international donors.

(f) Agricultural Planning. Agricultural planning and data collection are currently carried out by South Africa. With independence, Namibia will have to provide these services, but will lack the professional manpower to do so. Technical assistance provided by international organizations could render a great service in helping develop these areas.

#### 4. Manufacturing

In the manufacturing sector, Namibia will need support to organize a Ministry of Commerce and Industry, develop parastatals and a strong industrial planning unit. Namibia will also need support in analyzing and evaluating the economic profitability of potential joint ventures with foreign capital as well as existing commercial arrangements. Initially, foreign donors might provide technicians, managers, and skilled support staff for manufacturing.

5. Transportation.

Namibia will need substantial amounts of foreign assistance to reorient the transportation sector to serve development needs. Depending on the outcome of negotiations with South Africa, the amount could vary from moderate funding to massive subsidies to enable current transportation facilities to remain operable. Assuming that existing transportation routes will not be interrupted, Namibia will still need to:

- (1) Construct trunk lines and feeder roads in northern regions and other rural areas to provide links with established routes and open up agricultural areas.
- (2) Provide linkages with neighboring countries via rail and road.
- (3) Train Namibians to operate and maintain existing rail and port facilities.
- (4) Upgrade existing roads.

6. Education

Major deficiencies in the educational system point to various areas in which foreign assistance will be needed. The predominant need is to restructure the primary and secondary education curricula, and establish an institution for higher education. Improvements in the educational

system will require technical assistance to:

- (1) Improve teacher training.
- (2) Expand technical and vocational training, perhaps incorporating the UN Institute for Namibia.
- (3) Expand non-formal education.
- (4) Provide for national literacy programs.

Technical assistance will also be needed to undertake studies to determine ways to promote qualitative improvements such as developing indigenous evaluation procedures, expanding enrollments, reducing dropout rates and developing a national language of instruction.

#### 7. Health

A thorough study of the health sector is needed to determine problem areas and to make recommendations for assistance.\* Existing studies do not provide a reliable basis for determining specific assistance needs. Available studies indicate the need for assistance to:

- (1) Expand rural and urban health facilities.
- (2) Increase training of medical personnel.
- (3) Execute immunization program.
- (4) Improve hygienic conditions in urban settlements.

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Although limited, the SADAP Health Sector Appraisal for Namibia provides a good guide. See Annex B.

8. Financial/Commercial

Namibia must be in position to pursue a national development policy without being constrained by foreign economic objectives. This would entail establishment of a national currency and re-evaluation of links with the South African Customs Union (SACU). Both measures require dependence on foreign monetary and commercial experts during the transitional phase.

To avert severe disruptions in money markets, it may be necessary to implement interim measures rather than to attempt to establish a national currency immediately upon independence. Among the options are (1) to use the Rand during an interim period and during this period establish and operate a special account with the South African Reserve Bank; (2) to work out a special arrangement with Botswana in which the Botswana currency would replace the Rand notes in circulation. Further study is necessary to determine the most favorable alternative, however, a link with the Botswana currency has the advantage of providing a scheme which could be introduced shortly after independence, since it would not be necessary to set up a Central Bank or provide the associated professional administration. It would also provide a mechanism for an immediate break with the Rand. Among a number of disadvantages is the potential conflict over policy issues. There may be some

questions of practicability.

After independence, the new Government, with the aid of foreign experts, must review existing commercial and trade arrangements. Membership in the SACU is likely to be of major concern. Since Namibia does not produce products for export which would compete with South African production, membership in SACU is not necessary to supply the South African market and, on the surface, would have little or no attraction to an independent Namibia.

C. Coordination of Donor Programs

The U.N. has been the primary agency developing plans for Namibia's independence, and supporting pre-independence activities, such as the U.N. Institute for Namibia and elaboration of the "Nationhood Programs."

The U.N. Council for Namibia, in collaboration with other U.N. agencies, has been the primary coordinating mechanism for outlining some strategy options for development in Namibia. Consequently, it may be useful to consider channelling some assistance through the U.N. initially rather than to set up bilateral programs in the first years following independence. This might avoid a strain on Namibia's limited administrative capability to implement development programs and enable donors to coordinate assistance through a central organization. General U.N. agencies (WHO, WFP, FAO, ILO, UNESCO, UNCTAD, etc.) have established

working relations with the dominant liberation group in Namibia. These agencies will be in a position to provide technical assistance to Namibia, and to execute projects funded by UNDP.

It should be expected that the U.N. "planning" role will be deemphasized after independence. The various political parties in Namibia have made it clear that they will carefully guard their planning perogatives but will need assistance to implement a Namibian plan.

VII. Strategy Options

A. Overall Strategy

A primary goal of an independent Namibia will be to restructure society in order to assure that Namibians control the economy and its resources, and are the primary beneficiaries of economic development. In order to achieve this goal, it will be necessary to:

- (1) Promote participation in development in all aspects, including equal access to factor and product markets, labor markets, and public and private services and facilities;
- (2) Land reform programs to eliminate the distortions imposed during South Africa's governing of the area;
- (3) Establish Namibian control of the national infrastructure, i.e., roads, railways, harbors (including Walvis Bay), communication systems, and schools; and
- (4) Assure that Namibians benefit from exploitation of the nation's natural resources, including minerals and fish, and assure that Namibia receives an equitable share of the proceeds from their exploitation.

The most immediate objective should be to establish the institutional mechanisms and administrative capability to assure continued functioning of vital operations in key sectors of the economy and to organize the governmental structure of an independent Namibia. Initially, assistance should focus on developing indigenous institutions; and administrative, professional and technical skills in key sectors of the economy, notably, mining, fisheries and agriculture. In conjunction with developing skills and institutions, a reliable data and information base must be developed and research and planning functions institutionalized. Perhaps a comprehensive development plan should be among the top priorities in order to establish a framework for development.

From a broader perspective, assistance should also focus on programs to:

- (1) maintain the efficiency of all essential services,
- (2) alter the dependency on South Africa,
- (3) make necessary improvements in specific productive activities in the agricultural and fishery sector, and
- (4) commence urgent programs for training of Namibians.

Immediately after independence, Namibianization may not be possible due to the paucity of skills which exist among indigenous inhabitants. To promote Namibianization at any expense would be highly impractical because of the highly technical base of the economy. Some localization will be possible and politically essential. The localization process could be accelerated through careful planning and maximizing reinvestment of mineral returns into human resource development.

1. Human Resource Development

In developing a manpower strategy to fulfill immediate needs, the following should be considered:

- (a) Relatively short, basic educational courses for administrators and managers followed both by formal and informal on-the-job training and short- or medium-term specialized courses on a full or part time basis.
- (b) Skill upgrading and extension courses for developing semi-skilled, skilled supervisory, and para-technical and para-professional cadres with maximum attention on need to know and minimum concern about academic requirements.

- (c) Ways to broaden and augment capacities of all experienced Namibians, concentrating education and training on essential elements, rather than external professional or educational "standards".

Substituting organization and mobilization for "traditional" technology and bureaucracy requires careful planning, especially in respect to coordination and communication. The formal educational system, specifically at secondary levels and above, must be developed.

In Namibia there seems little alternative to adopting these measures if independence and Namibianization are to be consistent with sustained productive manpower levels.

The new Namibian Government will decide to what extent expatriates are recruited while Namibians are being trained. Expatriate recruitment may also be seen in the context of a difficult transition to structural change and of a need to act quickly to avert damage to society and the economy. In the immediate post-independence period, up to 15,000 technicians would be required depending on the degree of white exodus after independence. Certain key elements are of general significance in building a framework for a manpower development strategy:

- (a) Preventitive recruitment may be utilized in the event there is a massive exodus of present European and South African personnel which could potentially result in a serious collapse of production and services. This is critical to minimizing transition costs.
- (b) Use of external technical assistance should be seen as integrally related to training Namibians and phasing externally recruited expatriates. It requires a variety of formal, quasi-formal and informal on-the-job training and integration with formal training and education institutions.
- (c) One critical aspect of development of Namibian manpower capacity is maintaining vital functions. Namibian acquisition of job experience (and the finance for more formal training) require that the government, service and productive sectors, continue to operate.

Expatriate expertise could be provided through direct foreign aid and technical assistance programs. In view of the large numbers of employees needed, however, it is somewhat doubtful whether all Namibia's needs could be

met through foreign aid. A rough estimate of the value of assistance to be provided if all expatriate positions were filled in this way would require \$600 million per year, which is clearly far more than the government could expect in aid.

It may be more practical for the government to obtain technical assistance through bilateral and multi-lateral aid programs to (a) fill positions in the government's own control and regulatory apparatus and (b) to serve as supplemental recruitment of agents to fill positions in operating the mining industry.

As an adjunct to expanding and improving manpower capability, particular emphasis should be placed on planning, and administrative skills. In the area of economic development, there must be a concerted effort by the government and donors to train administrative and technical personnel in global approaches to development planning and administration.

## 2. Agriculture

In the agriculture sector, as part of the approach to assure immediate welfare and protection of resources, programs should be implemented to (1) maintain adequate food supplies; (2) preserve existing agricultural capital; and (3) maintain essential services.

### 3. Food Supplies

Since Namibia is dependent upon importation of cereal grains, and other food supplies from South Africa, continued importation of cereals, the current staple of the country's African population may be critical to general welfare. Until local production can be improved, some external food and PL 480 or WFP could be considered as long as local incentives for production are not undermined. In years with favorable rainfall, relatively small quantities are imported to supplement available supplies in southern and central Namibia, but when the rains fail in the north, large quantities of grains must be imported there also. If, after independence, links between Namibia and South Africa are broken, food shortages in Namibia may be acute unless alternate sources of food imports can be developed. Since immediate neighbors (Angola and Botswana) will probably also have deficits, alternatives may be very limited. Food shortages may also occur as a result of disruption of the marketing system. Finally, it can be expected that following independence the spatial distribution of demand for food will shift, and production of food in the northern areas of the country may decline, as families are reunited in urban and mining areas with the end of the contract system.

Plans have been developed in the "Nationhood Programme" to begin addressing these problems. The focus is to

develop a system of food distribution to be implemented in the event that importation from South Africa is interrupted or that the internal marketing system breaks down. Proposed projects include planning a free food distribution system, estimating the quantities of food which may be required for distribution, prepositioning of minimal supplies outside of Namibia, and training personnel who will be responsible for distributing food. Food aid could be provided to supplement needs.

Contingency plans must be made to assure that herds are maintained and equipment protected in the event that the agricultural economy is severely disrupted by the possible departure of white managers and owners, and the loss of markets. Arrangements must be made to assure continued and efficient management of farms during the interim between independence and reorganization of the sector.

Namibia will continue to depend on resident whites and expatriates for most of its professional and skilled agricultural manpower. The Namibian Government could promote measures to encourage individuals with these skills to stay in the country so long as they are willing to cooperate with the new government and are willing to accept the new economy and political structures. In order to encourage them to remain in Namibia, economic incentives and physical security

must be assured. Supplementation of specific critical skill areas through the provision of foreign specialists under various international technical assistance programs might also be pursued. This should be coupled with an urgent program to develop a pool of trained Namibians who can eventually replace the foreign specialists.

B. Post-Independence Sector Programs for Eliminating Dependency

While continuing manpower programs to cope with needs and further institutional development, donor efforts could now focus on priorities for creating more self-reliance. Immediately after independence, the focus should be on developing the agricultural sector to further diversify Namibia's development base, provide employment, establish a sound framework for more diversified economic growth, and to avoid an urban "tidal wave." The country should use mineral earnings as the motor for diversification. A major goal of Namibia should be to expand and improve the production of food supplies, particularly in northern areas; and to improve the productive capacity of beef and karkul farming. Emphasis should be placed on improving agricultural production both for export and to reduce food imports, and to provide some raw materials to be utilized in the manufacturing sector.

1. Agriculture

The north will continue to be the major food crop producing region of the country. It already produces adequate quantities to be regionally self-sufficient in some years, but due to constraints it has never achieved its full potential. With an appropriate agricultural development program, the north could supply much of the food requirements of the entire region. Thus, a major goal of an independent Namibia should be to improve production of the agricultural economy in northern Namibia, both as a means of improving the welfare of the residents of that region and to provide food for the remainder of the country.

A recommended strategy toward this goal includes the following elements:

- (1) Expansion of available water systems for agricultural use, including the drilling of boreholes, construction of irrigation systems, and completion of the Caluegue irrigation system;
- (2) Research programs focusing on traditional agriculture for developing appropriate varieties and improving traditional management practices for existing crops, and for introducing and testing new crops;

- (3) Strengthening of existing government services and reorienting these services to serve black Namibian farmers;
- (4) Construction of a functional farm-to-market road system, particularly in northern Namibia;
- (5) Design of a marketing system and construction of appropriate sales, processing, transportation, and storage facilities.

The agricultural potential of northern Namibia will be greatly improved when Namibia negotiates a new agreement with the Angola Government to permit completion and full cooperation of the Cunene Hydroelectric Scheme which includes a power station of Ruacana Falls and an irrigation dam at Caluegue on the border with Angola. Construction of the Scheme was scheduled for completion by the end of 1977, but work came to a halt in 1976, following conflict in southern Angola and refusal of the new government to negotiate with South Africa.

The north has the greatest agricultural potential, however, it is relatively less developed agriculturally, and has had limited investment. Therefore, the needs and opportunities are greater in this region. It is here that an independent Namibian Government should emphasize the development of new agricultural programs. Southern Namibia will remain primarily a livestock producing area, while the north

remain primarily a livestock producing area, while the north will continue to produce a combination of livestock and crops.

Maintenance and strengthening of the livestock industry will entail:

- (1) Breeding programs to increase the rate of weight gain of beef cattle and to increase the proportion of light colored karakul pelts which are showing increased demand in the international market;
- (2) Investigating the feasibility of developing new markets for beef in coastal west Africa, Europe, North America, and the Persian Gulf states;
- (3) Investigating the feasibility of expanding domestic cattle slaughter and processing facilities for producing chilled, frozen, and/or canned products for export;
- (4) Investigating the feasibility of developing karakul pelt processing facilities in Namibia and exporting pelts directly to markets in Europe, and possibly, other areas;
- (5) Continuing and expanding research programs on pastures, including work on carrying capacities, grazing systems.
- (6) Establishing training programs in beef and

- (6) Establishing training programs in beef and karakul herd management, breeding, and marketing.

The continued growth and development of both agricultural regions is also dependent upon the development of various central government services. These include agricultural education, agricultural planning, and agricultural data collection, processing and analysis. In the past, to the extent that these services have existed, they have been provided by South Africa. The new government will have to assume responsibility for these functions in the future.

Increasing agricultural productivity will also depend on redistribution of land to increase holdings of Namibians. The new government must carry out a land reform policy in order to redistribute the supply of arable land so that Africans who now live in the "Homelands" can not only produce enough food to feed themselves, but also be brought into the cash economy through production of some cash crops.

## 2. Manufacturing

In addition to agricultural development, there may be opportunities for improving incomes and providing employment of the rural population by establishing rural industries in analysis to determine the feasibility of establishing industries such as oil seed extraction, textiles, and kenaf processing. Through the establishment of such industries,

rural incomes and employment may be increased substantially.

Manufacturing should be developed to provide linkages with agriculture and mining. Industrialization of Namibia should be based on processing of agricultural and mineral resources for both local consumption and export. Given the small size of its local consumer market, major industries would have to be export-oriented. Policies should be made to encourage processing of meat and dairy products, and other food supplies. In the long run, Namibia's industrialization should also be based on the processing of minerals.

In conjunction with developing local industries, Namibia should consider a break from SACU and the Rand Monetary Area as soon as it is politically and economically feasible. Withdrawal will allow Namibia to purchase consumer and capital goods from the cheapest source and to pay with the foreign exchange proceeds from mineral and food exports. Establishing a national currency will enable the government to maintain the necessary domestic and foreign exchange policies for more extensive international trade and financial transactions.

New policies in manufacturing should be geared toward the development of small-scale employment creation industries and a local cadre of Namibian entrepreneurs. These industries should be centered around the use of local resources, using labor-intensive techniques for production. Production

should be aimed at both the domestic and the foreign market. Official assistance could be provided in the form of loans, technical assistance, and/or investment guarantees. Non-official assistance through the private sector could be provided in the form of equity capital.

### 3. Fisheries

An approach to improve Namibia's fish resources must take into account ways to reduce depletion of offshore species and to modernize traditional inland fisheries. Development of the Namibian fisheries sector will require:

- (a) administrative capability to enforce quota limitations and other restrictions of offshore catches;
- (b) experts with the ability to draft legislations to extend the offshore boundary to the 200 miles limit;
- (c) upgrading skills of Namibians employed in the commercial fishing industry; and
- (d) improvement of inland fisheries.

Namibia's fish stock is virtually exploited to capacity. It is heavily over-fished and a major recovery program is needed. The extensive commercialization and depleting stock leaves little opportunity for extensive African participation in the immediate future. However,

inland fisheries, particularly in northeastern Namibia, is underexploited and offers great potential for further growth to provide a source of protein for indigenous inhabitants, and additional incomes generated by marketed catches.

Upgrading traditional fishing techniques, increased utilization of more modernized equipment and training traditional fishermen to promote greater efficiency are essential features of an assistance strategy in the fishery sector.

#### 4. Health

After independence all health facilities will be open to the entire population. This will undoubtedly result in a strain on existing facilities. Establishment of low cost facilities for the population at large would minimize the potential burdens on existing facilities, some of which may not have been constructed to serve large groups.

In the past, emphasis was placed on centralized high cost hospitals in major urban centers. Emphasis should now be on rural health systems to reach the rural population through health education and preventative care. Training of para-medical staff is an important component of the rural health system. Health measures must also stress mining safety and precautions against radiation hazards. Additional study is necessary to determine appropriate measures.

5. Low Income Shelter

After independence the need for investment in urban housing will be significant, since existing housing for Africans in urban areas is substandard and is not constructed to accommodate the family unit. Elimination of "pass" laws will give rise to rural/urban migration. The reuniting of families will create a substantial increase in urban size. Other Namibians may migrate to urban areas in search of employment opportunities.

Further study is necessary to determine specific housing needs; however, existing deficiencies point to the need for a comprehensive shelter program which would improve urban infrastructure, community services, and housing. Another alternative would be the informal sector route by injecting financial resources into households.

Housing units will be needed to replace the compounds in Katutura and Walvis Bay, and to provide adequate accommodations for Namibians employed at the Rossing mines. Construction of low-cost housing units would provide a feasible alternative to existing facilities.

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## PRIORITY PROJECTS OF THE NAMIBIA NATIONHOOD PROGRAM

Project as proposed by Executing Agency			Recommendations by SWAPO		Project as appraised and submitted to the Council		
Title	Project No.	Cost US\$ '000	Priority basket	Adjusted cost frame US\$000	Title	Cost US \$	Remarks
<b>1. Mining and industries</b>							
Survey of mineral resources and mining activities	TCD-28	-	I		Preliminary survey of mineral resources and mining activities	4,000	Project profile provided instead of project document as project fully financed by UNTCD.
Review of mining, prospecting and marketing agreements	TCD-29		-				
Training and research on transnational corporations	UNCTC-2	107	I		Training and research on transnational corporations	124,400	Seminar added to review draft project report.
Mineral sector training	TCD-32	460	II	150	Fellowships in mineral development	156,300	
Training in industrial strategy	UNIDO-4a	68	-				
Study tour in Africa and Asia	UNIDO-4b	20	II				
Secondment to UNIDO projects	UNIDO-4c	45	II		Industrial development training	96,000	Three related projects combined as one.
Training at UNIDO Headquarters	UNIDO-4d	32	II				
<b>2. Fisheries</b>							
Analysis of policy options and preparation of contingency plans for fisheries	FAO-FI 2	200	I		Analysis of policy options and preparation of contingency plans for fisheries	219,600	Seminar added to review draft project report.
Drafting of legislation on fisheries	FAO-FI 1	52	-				
High-level fisheries fellowships	FAO-FI 3	56	I	28	High-level fisheries fellowships	28,000	
Assessment of fisheries training needs	FAO-FI 4	20	-				
Evaluation and monitoring coastal pelagic resources - Angola and Namibia	FAO-FI 5	3,530	-				
<b>3. Agriculture, livestock forestry and wildlife</b>							
Development programme for agricultural education	FAO-TR 1	25	I		Development programme for agricultural education	21,300	
Action programme for agricultural training and extension	FAO-TR 2	2,875	-				
Forestry and wildlife policy and planning	FAO-FW 1	200	-				
Preparation for agrarian reform and resettlement programmes	FAO-IN 3	190	II	100	Preparation for agrarian reform and resettlement programmes	119,500	Seminar added to review draft project report.
Policy research unit for agriculture	FAO-IN 2	260	-				
Adviser to SWAPO co-ordinator for agriculture	FAO-IN 1	235	-				
<b>4. Trade</b>							
External economic sector policies and planning	UNCTAD-1	452	I	300	External economic sector policies and planning	253,000	Substantial administrative support component reduced due to separate support project.

Project as proposed by Executing Agency			Recommendations by SWAPO		Project as appraised and submitted to the Council		
Title	Project No.	Cost US\$ '000	Priority basket	Adjusted cost frame US\$000	Title	Cost US \$	Remarks
<b>5. Transport and Communications</b>							
Transport survey	TCD-37	130	I		Transport survey	141,500	Seminar added to review draft project report.
Transport training	TCD-40	195	II		Fellowships in the transport sector	185,000	
Maritime administration phase I	IMCO-1	633	II	150	Maritime training and harbour survey	171,500	Seminar added to review draft project report.
Civil aviation manpower and training adviser	ICAO-1	127	III		Civil aviation adviser	55,000	Project duration reduced from six to three months.
Civil aviation fellowship programme	ICAO-3	490	III	200	Fellowships in civil aviation	241,900	
National airline fellowship programme	ICAO-6	852	-				
Fellowships in telecommunications	ITU-1	264	-				
Telecommunications consultancy services	ITU-2	26	I		Preparation of plans for telecommunications	45,500	Seminar added to review draft project report.
Postal administration phase I	UPU-1	520	-				
Postal training	UPU-2	92	-				
<b>6. Energy</b>							
Energy survey	TCD-21	14	I		Energy survey and contingency plans	64,500	Two related projects combined as one. Seminar added to review draft project report.
Power system operation	TCD-23	34	II				
National electricity institute, phase I	TCD-25	40	II		Fellowships in electricity supply	40,000	
<b>7. Water and land resources</b>							
Water survey	TCD-33	18	II		Survey of water resources and requirements	42,500	Seminar added to review draft project report.
Planning water development for agriculture	FAO-CR 1	195	II		Planning water development for agriculture	163,500	
Assessment of potential land suitability	FAO-CR 2	210	I		Assessment of potential land suitability	207,600	
Water sector training	TCD-35	18	II		Fellowships in water development	21,800	
Meteorological training	WMO-2	370	II		Fellowships in meteorology	101,800	
<b>8. Labour</b>							
Small enterprise skills development - settlements	ILO-2	880	-				
Training of junior level labour administrators	ILO-10	436	II	200	Training junior level labour administrators	129,700	Proposed cost lower than frame as project budgeted for one year only with second year optional as phase II.
Advisory service on labour legislation	ILO-7	45	I		Preparation of plans for non-discriminatory labour legislation	62,300	Seminar added to review draft project report.
Seminar on labour legislation	ILO-11	138	-				
Employment and manpower planning	ILO-4	134	-				

Project as proposed by Executing Agency			Recommendations by SWAPO		Project as appraised and submitted to the Council		
Title	Project No.	Cost US\$ '000	Priority basket	Adjusted cost frame US\$000	Title	Cost US \$	Remarks
<b>9. Education</b>							
Survey of educational opportunities	UNESCO-2	55	-				
Support to the educational upgrading programme	UNESCO-3	310	-				
Planning a new educational system	UNESCO-7	370	II	120	Preparation of plans for new educational system	135,700	Seminar added to review draft project report.
Training for educational personnel	UNESCO-8	360	II	60	Fellowships for teacher trainers and other educational personnel	62,300	
National archives	UNESCO-14d	58	-				
Pilot vocational training centre	ILO-1	1,770	III	1,500	Preparation for establishing pilot vocational training centre (preparatory assistance)	24,500	A two-month preparatory assistance project is proposed before consideration of the large-scale project in order to develop more detailed and firm plans on which the decision to establish the centre can be based.
					(Establishing a pilot vocational training centre)	(1,774,000)	
<b>10. Information</b>							
Radio broadcasting, phase I	UNESCO-17	400	I	380	Communications training and equipment	396,000	Three related projects combined as one.
Press development	UNESCO-19	180					
Information officers training	UNESCO-20	100					
<b>11. Health, nutrition and social services</b>							
Country health programming	WHO-2	32	I		Preparation of a country health programme	45,600	Project profile provided instead of project document as project up to now fully financed by WHO.
Fellowship programme in food economics, food science and nutrition	FAO-FN 3	195	II		Fellowships in food economics, food science and nutrition	194,600	
Contingency studies for protecting food supplies and nutrition upon independence	FAO-FN 1	110	I		Preparation of plans for protecting food supplies and nutrition upon independence	128,600	Seminar added to review draft project report.
Training for food supply management and nutrition protection	FAO-FN 2	42	I		Training for food distribution	78,000	
Training for social policy formulation and social welfare administration	TCD-8	215	-				
Survey of rehabilitation for war victims and other disabled	TCD-10	20	I		Survey of rehabilitation needs for war victims and other disabled persons (preparatory assistance)	2,500	Project profile provided instead of project document as project fully financed by UNTCD. Cost lower than original estimated as project carried out by regional adviser instead of an expert specifically recruited.

Project as proposed by Executing Agency			Recommendations by SWAPO		Project as appraised and submitted to the Council		
Title	Project No.	Cost US\$ '000	Priority basket	Adjusted cost frame US\$000	Title	Cost US \$	Remarks
Upgrading of women's skills and strengthening of SWAPO Women's Council	UNESCO-16	203	I		Participation of women in development	159,900	Project concept modified to focus on training needs.
Formulation of a national plan of action for women	TCD-9	30	-				
Legal adviser for women's affairs	TCD-46	33	-				
Integration of women in urban areas	TCD-47	19	-				
<b>12. Housing, building and land use planning</b>							
Construction assistance to the Namibia Health and Education Centre	TCD-15	167	I		Construction assistance to Namibia Health and Education Centre	167,000	
Training on human settlements administration	TCD-16	58	I		Training and formulation of policy options in land use and human settlements development	116,200	Two related projects combined as one. Seminar added to review draft project report.
Policy formulation on land ownership and land use planning	TCD-17	35	II				
Policy formulation on construction industry and building materials production	TCD-18	21	II		Training and formulation of policy options for the construction industry and building materials production	25,800	
Cartography training	TCD-42	51	-				
<b>13. Economic planning, public administration and judicial system</b>							
Economic policy seminar	TCD-2	15	I		Workshops on socio-economic policies and planning	38,900	
Training in development planning	TCD-3	95	II		Training in development planning	152,100	Six short courses of group training were ahead.
Establishment of a statistical unit, phase I	TCD-4	113	I		Establishing a statistical unit	97,200	
Machinery of government policy formulation	TCD-20	135	II		Preparation of plans for a public administration system	97,600	
Public administration training and manpower development	TCD-19	170	II	120	Training in public administration and public enterprise management	127,500	
Training in United Nations political activities	TCD-49	67	-				
Study tour of United Nations technical co-operation programmes	TCD-48	41	-				
Reform of criminal justice system	TCD-11	72	II		Preparation of plans for reform of the criminal justice system	91,500	Seminar added to review draft project report.
Training of crime prevention, law enforcement and administration of justice	TCD-12	260	-				
Prevention and control of economic criminality, phase I	TCD-13	63	I		Preparation of plans for prevention and control of economic crime	77,100	Seminar added to review draft project report.
					Clerical and transport services to support Nationhood Programme projects	198,800	Separate project has been developed by combining the supporting functions needed for implementation of the projects. Individual project budgets have been reduced accordingly.

List of Project Documents

Cost in United States dollars

TCD-28	<u>1. Mining and Industries</u>	
UNCTC-2...6	Preliminary survey of mineral resources and mining activities	4,000
TCD-32	Training and research on transnational corporations	124,400
JNIDO-4b,c,d	Fellowships in mineral development	156,300
	Industrial development training	96,000
	<u>2. Fisheries</u>	
FAO-FI 2	Analysis of policy options and preparation of contingency plans for fisheries	219,600
FAO-FI 3	High-level fisheries fellowships	28,000
	<u>3. Agriculture, livestock, forestry and wildlife</u>	
FAO-TR 1	Development programme for agricultural education	21,300
FAO-IN 3	Preparation for agrarian reform and resettlement programmes	119,500
	<u>4. Trade</u>	
UNCTAD-1	External economic sector policies and planning	253,000
	<u>5. Transport and communications</u>	
TCD-37	Transport survey	
TCD-40	Fellowships in the transport sector	141,500
IMCO-1	Maritime training and harbour survey	185,000
ICAO-1	Civil aviation adviser	171,500
ICAO-3	Fellowships in civil aviation	55,000
ITU-1	Preparation of plans for telecommunications	241,900
		45,500
	<u>6. Energy</u>	
TCD-21,23	Energy survey and contingency plans	64,500
TCD-25	Fellowships in electricity supply	40,000
	<u>7. Water and land resources</u>	
TCD-33	Survey of water resources and requirements	42,500
FAO-CR 1	Planning water development for agriculture	163,500
FAO-CR 2	Assessment of potential land suitability	207,600
TCD-35	Fellowships in water development	21,800
WMO-2	Fellowships in meteorology	101,800
	<u>8. Labour</u>	
ILO-10	Training junior level labour administrators	129,700
ILO-7	Preparation of plans for non-discriminatory labour legislation	62,300
	<u>9. Education</u>	
UNESCO-7	Preparation of plans for new educational system	135,700
UNESCO-8	Fellowships for teacher trainers and other educational personnel	62,300
ILO-1 (prep)	Preparation for establishing pilot vocational training centre (preparatory assistance)	24,500
	Annex: Establishing a pilot vocational training centre (1,774,000)	
	<u>10. Information</u>	
UNESCO-17,19,20	Communications training and equipment	396,000
	<u>11. Health, nutrition and social services</u>	
WHO-2	Preparation of a country health programme	45,600
FAO-FN 3	Fellowships in food economics, food science and nutrition	194,600
FAO-FN 1	Preparation of plans for protecting food supplies and nutrition upon independence	128,600
FAO-FN 2	Training for food distribution	78,000
TCD-10	Survey of rehabilitation needs for war victims and other disabled persons (preparatory assistance)	2,500
UNESCO-16	Participation of women in development	159,900
	<u>12. Housing, building and land use planning</u>	
TCD-15	Construction assistance to Namibia Health and Education Centre	167,000
TCD-16,17	Training and formulation of policy options in land use and human settlements development	116,200
TCD-18	Training and formulation of policy options for the construction industry and building materials production	25,800
	<u>13. Economic planning, public administration and judicial system</u>	
TCD-2	Workshops on socio-economic policies and planning	38,900
TCD-3	Training in development planning	152,100
TCD-4	Establishing a statistical unit	97,200
TCD-20	Preparation of plans for a public administration system	97,600
TCD-19	Training in public administration and public enterprise management	127,500
TCD-11	Preparation of plans for reform of the criminal justice system	91,500
TCD-13	Preparation of plans for prevention and control of economic crime	77,100
	Clerical and transport services to support Nationhood Programme projects	198,800
	<b>TOTAL</b>	<b>5,113,600</b>