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NOOSE OR LIFELINE?

THE ROLE OF TRANSPORT IN INDEPENDENT NAMIBIA

by

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1. INTRODUCTION

As the struggle to end apartheid in South Africa intensifies, attention has increasingly been distracted from the vexed issue of Namibian independence. All parties to the dispute have agreed for at least eight years on the desirability of independence for Africa's last colony, but attainment of that goal has been continually frustrated by South Africa, through the introduction of new obstacles. The current deadlock is over Pretoria's insistence that independence be linked to the withdrawal of Cuban troops from Angola. Meanwhile, yet another interim government has been appointed in Windhoek, onto which South Africa is making a sustained attempt to confer legitimacy as opposition to SWAPO.

This situation serves as a clear reminder that apartheid is not purely a domestic South African problem, but one pervading the entire region. Nowhere is this more evident than in Namibia, which remains firmly in South Africa's grip. Independence is therefore contingent on events within South Africa, as they affect Pretoria's assessment of the strategic advantage of retaining control. Because of the nature of these South African bonds, Namibia's political economy has changed little since the late 1970s, despite the abolition of most overt apartheid legislation. As I have argued elsewhere (Simon 1985, 1986), this lack of change also illustrates that piecemeal legal reform alone is incapable of addressing the basic problems in either Namibia or South Africa. The relations of production and reproduction systematised under apartheid are far too deeply embedded for that.

Namibian independence will therefore need to be followed by major restructuring and reorientation of internal relations and external linkages if it is to be more than purely token. The dimensions of this task can clearly be illustrated with respect to the transport sector since it underpins the entire economy, forming the basis of linkages between the domestic and external domains, and therefore symbolises graphically either a potential noose or lifeline for independent Namibia. The second reason for focussing on transport here is its current topicality within Namibia - precisely because of its centrality to the whole independence and development question.

In February 1986 the Advisory Committee for Transport Services (ACTS) appointed by the interim government issued a controversial report, ostensibly aimed at fostering Namibian self-sufficiency and independence. Several of its key proposals would in fact have the opposite effect. The report was compiled against the background of the Draft National Development Strategy issued in 1985 by the Directorate for Development Co-ordination (DDC) in Windhoek. Then in July 1986 the Lusaka-based United Nations Institute for Namibia (UNIN), established by the UN to train Namibians for independence and undertake appropriate research, launched its major study "Namibia:

Perspectives for National Reconstruction and Development". Unsurprisingly, this contains a rather different set of propositions from the Windhoek reports.

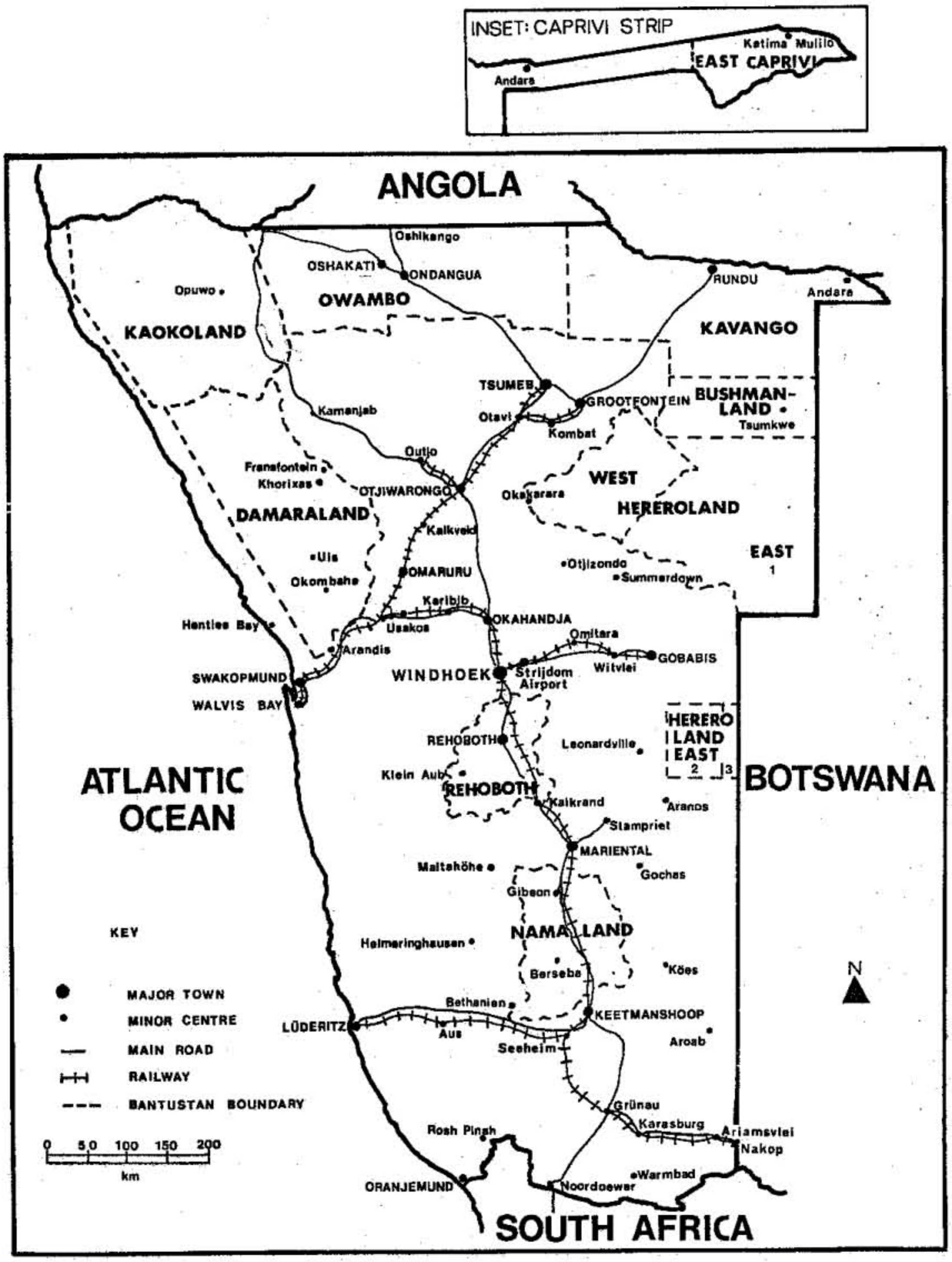
Reflecting as they do the divergent political/ideological positions of their compilers, these studies provide a useful focus for analysing the future of Namibian transport within an overall development policy context. This paper therefore seeks to provide a critical overview of the debate in terms of fostering genuine independence by maximising self-reliance and flexibility of options.

2. HISTORICAL INHERITANCE

For the sake of brevity, a short sketch of Namibia's transport history will suffice. The German colonial period (1884-1915) saw the construction of the bulk of Namibia's railway network and basis of the road system. (Figure 1). Following rapidly after the Schutztruppe who subjugated the various indigenous groups and extended control over an ever greater area, the transport infrastructure facilitated the maintenance of control and establishment of a colonial political economy based on resource extraction and extensive settler agriculture (e.g. Schmidt 1922; Bley 1971). Transport clearly served the interests of its builders rather than those of the dispossessed indigenes. What evolved, therefore, was not a network geared to territorial integration, but a 'dendritic' structure linking administrative and military centres, points of resource extraction (mines), and settler farmer service centres to the ports of Swakopmund/Walvis Bay and Luderitz by the most direct route. Ports were crucial nodes in the network: the points of contact with the metropolitan power through which all colonial commodity exports and all manufactures and supplies from Germany passed.

Under South African control since 1915 the ultimate colonial objectives have remained the same, despite the provisions of the League of Nations Mandate and subsequent requirements of the UN Trusteeship Committee, and Council for Namibia. Rapid reorientation of the political economy from Germany to South Africa occurred, with almost immediate connection of the railway line at Karasburg to the South African network at Nakop on the border, and extension of the Swakopmund line to the larger adjacent port of Walvis Bay in the enclave controlled and claimed as sovereign territory by South Africa (cf. Prinsloo 1977; Moorsom 1984). The Outjo and Gobabis branch lines were also constructed. All told, these additions added only 418km to the German network of 2160km (Dierks 1985). Nevertheless, the road system and port at Walvis Bay have been greatly expanded and improved, airports constructed and flights instituted, and facilities modernised in line with economic expansion, military requirements and technological change.

NAMIBIA: POLITICAL GEOGRAPHY



Early analyses of colonial network evolution and transport issues (e.g. Taaffe, Morrill and Gould 1963; O'Connor 1965) focussed on their modernising influence rather than their role in colonial exploitation. They cannot explain, for example, why the most populous and agriculturally productive areas of Namibia - the northern reserves - have been almost totally bypassed by the transport infrastructure and excluded from the modern economy except as vital cheap labour reservoirs. Nor can they explain the relative overconcentration of transport in the arid, sparsely populated south; or the major discrepancies of accessibility and transport facilities between the formerly segregated white, coloured and black areas at the intra-urban scale.

Independence will require the breaking of colonial dependence and reorientation of transport and overall development policies towards territorial integration and fulfilling the needs of Namibia's population in the first instance. It is in this light than we now turn to examine the recent proposals.

3. THE DRAFT DEVELOPMENT PLAN

The DDC document sees its function as providing a total national strategy for development to ensure optimal results and avoid ad hoc planning. It is the product of a public conference and several committees incorporating both civil servants and private sector representatives; it can safely be assumed to reflect the positions of these interest groups.

After an initial statement of goals and approach, the report provides an overview of the economy and physical framework before treating the sectors individually. Rather than being prescriptive in detail, it establishes a hierarchical set of broad objectives, policies and strategies for each division of each sector as a guide to planners in the respective departments.

Three primary objectives are stated

1) people-centred development to activate individuals and the community and enhance value and abilities;
2) raising the quality of life and welfare of each inhabitant through rapid and sustained economic and social development which must be distributed as widely as possible;
3) maximising SWA's independence in the economic and other spheres by putting its interests first.

These are to be pursued by promoting a free market economic system (which, it is claimed, maximises economic progress for the community as a whole); minimising restrictive laws and regulations; encouraging the informal sector; promoting community and human development; creating appropriate implementation mechanisms; and ensuring the appropriateness of proposals to the respective communities.

Sectoral goals for infrastructure include optimal maintenance and full utilisation of existing infrastructure; development of new infrastructure only on the basis of cost-benefit analysis results to ensure viability and consideration of both direct and indirect impacts; giving priority to infrastructure that is in accordance with development needs especially in the communal areas; giving priority to infrastructure which will exploit existing resources or provide potential services; ensuring appropriateness to the particular community or region, making maximum use of local resources and materials in a free market system; seeking to recover quantifiable infrastructural costs from direct beneficiaries, and full community involvement in planning and utilisation.

Little fault can be found with the stated primary objectives, and the intention to maximise independence is significant. However, there is a fundamental omission in that no reference is made to the need for territorial integration to overcome the spatial-structural divisions of past policy. It is therefore unclear how much of a radical policy change is actually envisaged. Furthermore, the commitment to a minimally constrained capitalist economy as the prime agent of development is misplaced in the sense that what is materially advantageous to an individual or firm is by no means necessarily advantageous to the community or country, particularly given the structural inequalities of a Third World country. The colonial legacy bears clear witness to that. Nor is state capitalism the answer; rather a mixed economy with strong co-operative movement, and joint ventures between state and private sectors should be striven for.

The 'user pays' principle of infrastructural provision is also inappropriate to a highly unequal society such as Namibia, be it at the interregional, urban-rural or intra-urban level. By definition those most in need of new facilities and services are also the least able to afford them. If all costs must be directly recoverable from the poor, inequalities will never be overcome, particularly as this principle would be applied together with the 'appropriateness of provision' objective, thus restricting maintenance or new facilities in poor areas to inadequately basic levels. Cross-subsidisation is an established principle, and one surely essential if the poor aren't to become poorer relative to the rich. State intervention is necessary to achieve this. The impact of these principles on more detailed proposals will be discussed in relation to the ACTS report.

Chapter 3 of the report argues - in contradiction to the cartographic evidence it cites - that all aspects of infrastructure spill over from the developed central areas into the 'developing communal areas' without a reduction in standards. The latter are therefore being supported by the former. With a few exceptions, basic infrastructure is thus fully provided and its future development will follow rather than precede economic development (DDC 1985:17). This assertion blatantly conflicts with the sectoral goals set out in Chapter 1 and summarised above. They see new infrastructural investment as necessary and development promoting, especially in the 'communal areas'.

Chapter 17 deals exclusively with transport and highlights the important role still played by South Africa. The Namibian Department of Transport controls roads, road transport, and traffic control, while traffic safety, civil aviation and water traffic are still controlled by the equivalent department in S.A. Furthermore, the South African Transport Services (SATS) operate all fixed assets and rolling stock of the railways, harbours and South African Airways. Windhoek and Keetmanshoop airports have, however, been transferred to Namibia. In April 1985 ownership of the SATS assets was transferred to Namibia, which now has to carry the annual operating loss, estimated at R70m for 1985/66. SATS continue to operate the actual services on behalf of the interim government. The value of assets transferred was almost R145m and excluded those of South African Airways and Walvis Bay (DDC 1985:139). 51% of the shares in Namib Air were bought by the Windhoek authorities in 1981, but the airline is still operated by the minority shareholder, the South African Marine Corporation. Namib Air is intended to form the basis of a future national airline. South Africa still controls all aspects of the licensing and registration of airfields, aircraft and pilots, as well as all international air transport matters since Namibia is not recognised as a sovereign country by the relevant world bodies.

The major objective with regard to roads is stated as creation of an effective network to promote economic development while taking into account social, strategic and environmental factors. Policy is to include upgrading main roads to accommodate the increase in traffic; connecting major centres effectively; extension of roads to certain growth points to stimulate more rapid development, providing connections to promote tourism, and building all weather roads to neighbouring countries.

Here again the report emphasises the use of roads to stimulate development, contradicting the assertion in Chapter 3. It is also unclear whether 'strategic factors' refer to those of South Africa (especially military) or Namibia.

In the civil aviation sphere, major objectives are optimal promotion of aviation to the benefit of all spheres of national development and international progress in the region; encouragement of international air services and establishment of a national airline. These are to be achieved through obtaining international recognition in civil aviation, improvement of facilities and infrastructure, and development of Windhoek's international airport as a regional hub. The last-mentioned seems rather optimistic since Harare, Lusaka and Luanda all have existing intercontinental links, and Gaborone will do so before the end of this year.

In the field of water traffic, the intention is to create a local marine corps, and to act in unison with South Africa to protect mutual maritime and territorial water interests, except where such interests conflict. A bilateral agreement over use of Walvis Bay's harbour is proposed for mutual benefit, while development of a new Namibian port is seen as financially unfeasible and an unjustifiable duplication of facilities.

The benefits of co-operation clearly depend on the terms, and although it is not stated in the report, potential conflict could well arise over Walvis Bay and the Orange River mouth diamond fields. There is actually a strong legal and moral case for Namibian ownership of Walvis Bay (e.g. Moorsom 1984; Prescott 1979). This would obviate the need for a treaty and liberate Namibia's major external economic lifeline from the threat of blackmail.

Overall, the Draft Strategy has been shown to have sound objectives, as far as they go, but some problematic or contradictory strategic and policy guidelines at both sectoral and subsectoral levels. However, the absence of a commitment to national integration and transformation seen in conjunction with the minimally regulated free market approach, strongly suggests that the objective is actually economic development-led modernisation. In the following section, we consider how compatible the more detailed ACTS report is with this framework, and what effect some of its major proposals would have.

4. THE ADVISORY COMMITTEE FOR TRANSPORT SERVICES

a) Objectives and Stance

This committee, comprising senior civil servants, was required to recommend the most effective and economical transport system for, and in the interests of, Namibia and its people. Their report purports to be wholly consistent with the Draft Development Strategy, although this is not always evident from some of its recommendations. There certainly are proposals to create an autonomous Namibian administrative and legislative structure in spheres currently controlled by South Africa. However, there is a signal failure to state or take into account the fact that, as discussed earlier, many of the fundamental structural and economic problems facing an independent Namibia are largely due to the South African orientation of the transport system. The same is true of the Development Strategy (see previous section). As Dierks (1986:1) observed, this omission

> "...creates the impression that again, as was the case with past reports ... the status quo has to be maintained as far as possible in the interest of South Africa and a new Namibia-related transport policy is allowed only if it is not contradictory to South African transport interests. Any real Namibia-related transport policy will in many aspects be contradictory to South African transport

interests."

One of the report's strengths is that it includes a wide range of useful data, mostly never before made public. Of course, the usual questions of accuracy and reliability arise. For example, the results of a 1984 road goods vehicle survey - on the basis of which certain policy recommendations are made - make no sense in the way they are presented (ACTS 1986:55-6). Additional data and information on the actual survey and analysis are needed; the impression given in the report is of poor survey work and unjustified deductions based on that.

The fundamental theme of the report is that subsidies are undesirable and all infrastructural costs should be recoverable from the direct beneficiaries. This is seen as the only way of reducing state involvement, keeping government expenditure in check and promoting the 'free market system'. On this basis, Namibia is portrayed as overendowed with an infrastructure it cannot afford. Rationalisations are accordingly recommended without reference either to the potentially important development, social and strategic roles of infrastructure (some of which are set out in the Draft Development Strategy), or the fundamental political/strategic problem of South African orientation referred to above.

b) Railways: the Methodology Exemplified

This attitude is perhaps most clearly illustrated with respect to the railway network. Rail services have traditionally run at a loss. Recent figures range from R70.3m in 1981/2 to R54.1m in 1984/5, a decline of 23%. Over the same period the total tonnage lifted fell by 37.5% and tonnes moved (i.e. tonne-kilometres) by 35.8%, due mainly to the effects of drought, the poor economic conditions, constitutional uncertainty, declining coal usage by power stations (major traditional customers) and intermodal competition (ACTS 1986:37,40). The evident relationship between the level of operations and level of financial loss is apparently overlooked in a sector-by-sector analysis of the network. 1984/5 utilisation figures for the track were particularly low on the three branch lines Otjiwarongo-Outjo (10%), Seeheim-Lüderitz (14%) and Gammams-Gobabis (16%). Capacity utilisation of trains on these lines was 45%, 71% and 48% respectively, and the financial loss R1m, R5m and R2.2m respectively (ACTS 1986:39,49).

These figures make it clear that the most severe 'problem' with the above-mentioned branch lines is the low level of <u>track</u> rather than train utilisation. The tonnage conveyed on them in 1984/5 was 19% of the national total, and tonne-kilometres moved 3.9%, while they accounted for 15.2% of the overall financial loss. These losses are acceptable in terms of tonnage but disproportionately high for the tonne-kilometres. In other words comparatively small tonnages are being moved over very long distances.

Branch line closures: As part of its rationalisation plan, the report recommended that all of the Otjiwarongo-Outjo line and the least viable sections of the other two i.e. Aus - Lüderitz and Strijdom Airport - Gobabis be closed, the track torn up and sold to recoup some money (ACTS 1980:127-145). This was seen as more practicable than rationalisation of the road network because of the other social and primary access functions roads perform, while upgrading of both networks was economically unjustifiable. The impact of closures on mainline traffic, on the road system and on users was considered but not the most fundamental objection to at least two of the three closures: that they will preclude the pursuance of independent rail transport policies after independence and make the rail system totally dependent on access through South Africa.

Although Lüderitz is a small port with physical characteristics preventing significant enlargement of facilities, it is currently the only outlet to the sea unambiguously under Namibian control. It could thus prove vital to the country if access to Walvis Bay and/or South African ports is denied. Although inadequate, and in need of improvement, it would be far better than nothing. It is currently used mainly for the local fishing and ancillary industries, and operates at a loss (ACTS 1986:91-3). Throughput and hence viability of both the harbour and railway line could be increased through regional development {1} and rerouting of CDM supplies through Lüderitz instead of Port Nolloth south of the Orange River as at present. Ore from Rosh Pinah mine in the far south is currently railed to South Africa for export. Some of this could possibly be rerouted via Lüderitz with some new harbour development (Dierks 1986). The railway between Lüderitz and Aus would need upgrading for any significant traffic increase (ACTS 1986:128-34). While perhaps not currently economically justifiable, future strategic interests might alter the equation. Besides, scrapping the railway would increase dependence on the nearby road, but its capacity for heavy goods traffic is also limited since a significant section is not tarred. The net effect might well be a further and undesirable decline in Lüderitz, a factor not considered in the report. Once again, economism appears to have been put before all else.

The decision to recommend closure of the Gobabis branch line similarly took no account of the strategic potential of the proposed Transkalahari Railway line to link a major new coalfield at Palapye in eastern Botswana with a new export terminal at Walvis Bay. Apart from generating substantial rail revenue and harbour dues from this baseload traffic, the line would connect with the Zimbabwe - South Africa railway which traverses Botswana, thus providing Botswana, Zimbabwe and other SADCC states with an alternative port to those in South Africa and Mozambique (e.g. Green 1981; Simon 1983).

Accounting procedures, organisation and pricing policy: Some 30% of the total 1984/5 railways deficit of R54.1m are accounted for by capital costs, i.e. financing costs, depreciation and additional depreciation costs (higher replacement costs). However, the capital costs of the actual railway have long since been paid off. Inclusion of depreciation - apart from new components, e.g. locomotives and rolling stock - in the financial calculations is therefore highly questionable (Dierks 1986:4). This might, in fact, be a device to inflate the value of assets and the scale of operating deficit - and hence the amounts Namibia had to pay South Africa for transfer of those assets in 1985 and annual subsidy the Windhoek authorities will have to pay SATS for operating the transport services. The implications of this are obviously major - and further investigation is urgently required.

According to the ACTS report, the fundamental problems facing the railways are organisational and financial. SATS is a state organisation, subject to external financial and policy approval. Rail services are subject to common carrier obligations (i.e. under normal circumstances all goods offered for carriage must be accepted) and tariffs are determined on a value-of-goods basis. Consequently, non-economic factors must be taken into account and unprofitable traffics carried, while the tariff structure causes high value goods {2} to be lost to road transport. Predominantly low value goods are therefore carried over long distances, and internal cross-subsidisation of services, routes, commodities and distances is inadequate to balance the books.

In line with the free market ethos, the proposed solutions are to rid rail of all social and other policy requirements unless fully paid for, and to gear the organisation to competition with other modes on an equal footing. This will require restructuring, abolition of common carrier obligations and other restrictions and basing tariffs on costs rather than value-of-goods (ACTS 1986:112-121).

While some of these recommendations may be sound in free market terms, they will not advance national development as required. There are important policy contradictions once again. Furthermore, the report does not mention that current railway tariffs are disadvantageous to Namibian producers and consumers vis-a-vis South Africa because of the high transport component in all exports and imports. So it is hardly surprising that there is no discussion at all of how the proposed tariff changes will affect the Namibian economy. This is yet another example of the report's blinkered approach.

The report also notes that SATS are run in accordance with "the economic interests and total transport requirements of South Africa, and by implication those of SWA/Namibia" (ACTS 1986:113). However, this implication would seem to be invalid. The two countries' interests in these spheres are in many respects contradictory. Since no proposals are made to create a Namibian transport or railway utility, or enact regulatory legislation, SATS are unlikely to put Namibia's interests above those of South Africa.

At another level, British experience suggests that even freedom from common carrier obligations and value-of-goods pricing are unlikely to create a major turnaround in railway fortunes, especially if break-even requirements remain (e.g. Joy 1971; Nash 1984).

Other inadequacies in the treatment of railways: Even using the report's figures, critical appraisal leads to very different conclusions. As pointed out earlier, the three branch lines accounted for only 15.2% of the 1984/5 deficit. Closure of the sections proposed would save only R3.7m p.a. By far the greatest loss was incurred on freight movements along the main Walvis Bay - Windhoek - Nakop line to/from South Africa. Yet this is not earkmarked for closure "because of the political, social and strategic implications", although road and sea transport costs apparently compare favourably with those of rail (ACTS 1986:147-8). In fairness, the report does suggest closure of the line south of Windhoek as a possible future loss-cutting measure. However, there is no explicit mention of the major role of the main railway line and its northern branch to Grootfontein in sustaining South Africa's military presence in northern Namibia and Angola. Several key questions arise in this context. Large tonnages of military hardware and supplies (not to mention soldiers on the passenger side) are known to move along the line. Have these traffics been included in the tonnage, tonne-kilometre and revenue calculations of the Committee? Are such traffics actually paid for by the S.A. Defence Force and, if so, at what rates? And how, therefore, would independence and a South African withdrawal affect the calculations and railway viability? Scrapping virtually the entire rail network is clearly no solution to the deficit problem as this mode has numerous advantages. No (or inadequate) account appears to have been taken in the ACTS report of several other important factors with a bearing on its proposals:

i) the import costs of additional vehicles and fuel for road transport of goods currently moved by rail;
ii) the additional wear and tear - and hence maintenance costs - on roads after initial upgrading;
iii) increased social disamenity and pollution from fumes, noise and dust. In urban areas this would, together with the sheer volume of extra traffic, necessitate substantial further expenditure on access improvements, through-route widening and/or construction of bypasses.
iv) the fact that railways as well as roads fulfil social, developmental and access functions. One example must suffice. Because of the report's narrow-minded preoccupation with cost cutting, the abolition of all rail passenger services is recommended since they incurred a loss of R15.5m in 1984/5 (ACTS 1986:155-7). No attempt has been made to examine the reasons for

this situation or possible solutions such as different service levels, fare structures, incentives or railway equipment. Should such services actually be expected to break even? Is not the provision of safe, cheap long distance public transport for the low-income majority of Namibia's population an important social service even at the cost of state subsidies? {3} The proposed solution - relying on unregulated private bus operators - will not necessarily result in lower fares or provide adequate coverage since by definition only profitable routes will be plied, with schedules suiting operators rather than passengers. Even in the vastly different British environment, deregulation of coach and stage bus services is causing similar problems (e.g. Gwilliam, Nash and Mackie, 1985).

v) appropriate standards for a Third World country. Although the report emphasises the Committee's conviction that inappropriately high standards have frequently been applied to both rail and road networks in the past, and that these should be revised when existing infrastructure is replaced (ACTS 1986:149), no mention is made of this being necessary for new infrastructure, which is far more important. Nor, contradictorily, has this thinking been applied in any way to the report's negative evaluations of existing facilities and services, especially rail.

c) General Comments

Similar arguments can be applied to other transport modes. Dierks (1986) has provided a detailed critique of the report's analysis and recommendations. In development terms, the Outjo branch railway should be retained and possibly extended north to the populous and fertile areas of Ovamboland. This would change both the role and financial fortunes of the railways. New trunk and especially feeder roads are required in all the northern 'communal areas' to integrate the space economy and redress the existing bias in favour of the former white core areas. In so doing use must be made of appropriate design, technology and service standards. This would dramatically enhance production (assuming the correct policy measures in agriculture and processing), overall development prospects and mobility.

Overall, then, the ACTS report can be summarised for the most part as 'bad news'. The analysis is inadequate and narrowly financial, to the exclusion of other positive policies, despite its supposed grounding in the Draft Development Plan's objectives. Many of the proposals would exacerbate the isolation of rural 'communal areas', increasing the core-periphery divide, run down existing infrastructure to the detriment of the country at large, and increase rather than decrease Namibia's dependence on South Africa. There is also no substantive consideration of the need to improve land links with neighbouring countries, which should be a strategic priority. Fortunately, the rail closure proposals proved so contentious that in July the interim goverment announced their suspension and referral to a cabinet committee for further study (Namibian 18/7/86).

5. THE UNITED NATIONS INSTITUTE FOR NAMIBIA STUDY

a) General

This important new study outlines a radically different post-independence programme from that of the Advisory Committee.

> "It would be ...absurd to assume that the goals of an independent Namibian government would be to run the present economic system somewhat more efficiently with a number of black faces replacing white ones but with no basic changes in structure or mode of production or in income distribution. The relevant political economic frame within which to address economic options to assess possibilities and to evaluate possible outcomes is that of the Liberation Movement." (UNIN 1986:59).

SWAPO's political economics of liberation can be summarised from their 1976 Political Programme as comprising six general components:

- i) commitment to attaining a socialist mode of production after an initial transition period. Public utilities (presumably including transport) are included in the initial minimum public sector;
- ii) rural development based on comprehensive agrarian reform to give 'land to the tillers';
- iii) redistribution of wealth and income to eliminate exploitation, and urban-rural and interregional differences;
- iv) national development through national economic integration and self-reliance. Included here is a commitment to cutting all ties with South Africa until the attainment of democratic majority rule there;
- v) provision of basic services (health and education) in the widest sense, appropriate to needs and self-reliance;
- vi) popular participation at all levels, co-operative and community action aimed at creation of a vanguard party and ultimately a classless society (SWAPO 1976; UNIN 1986).

In line with these (rather broad and idealistic) objectives, and bearing in mind current realities, the UNIN study argues the need for an initial policy of stabilising the core of present production, restructuring the budget, cutting expenditure, increasing incomes of both rural and urban poor while holding overall consumption static, rapidly training Namibians for middle and high level posts, mobilising substantial external resources and preparing for medium term production restructuring (UNIN

1986:100-1).

At least 2 of the nine priorities identified for the first five years of independence relate directly to transport:

- containment of transport costs (including subsidies), probably involving radical cuts in railways expenditure and services parallel to increasing access to road transport and rerouting the two-thirds of external trade from South African to Namibian ports.

- restructuring external economic flows (exports, imports, finance sources) away from South Africa, entailing new public and private enterprises, data and management controls (UNIN 1986:101-2).

b) <u>The Transport Sector</u>

The bulk of the study comprises sectoral and topical analyses, with one chapter devoted to transport and communications. Unfortunately it was written before publication of the ACTS report, and therefore relies on an assemblage of the fragmentary data previously available.

It points out that the apparent SATS operating deficits on the Namibian railways conceal that facts that these operations reduce the deficit on the northwest Cape line to Upington inside South Africa, boost operating surpluses on South African main lines, and help cover additional overheads. Subsidising the Namibian loss is not an act of generosity, as claimed by South Africa, because the entire South African network is run at a loss for economic policy reasons; the main beneficiaries of these losses are not Namibians but South African beef consumers, industries using Namibian exports or exporting to Namibia; and because South Africa linked its railway to Namibia's for its own strategic and economic interests, which remain valid to-day (UNIN 1986:395). These arguments complement those raised in the previous section.

Nothing is said about possible future rail network policy; by contrast the section on roads argues the needs for more labour intensive road construction methods, a review of the network to ascertain priorities for its extension (especially into the reserves). Six priorities are suggested:

i) construction of rural feeder roads integrated with the rail network;
ii) rationalisation of war-time roads against new needs of national reconstruction and development;
iii) construction and improvement of road links with Namibia's neighbours;
iv) provision of affordable public passenger transport, with state subsidies if required;
v) creation of a state controlled or regulated haulage utility;
vi) maintenance of a skeletal road service in accordance

with the level of trade (UNIN 1986:396-401).

The feeder roads should, of course, link up with trunk and main roads as well as the railway, especially as the latter does not serve the most densely populated regions in the north. The haulage operation is presumably intended to replace the large SATS vehicle fleet currently serving areas away from railway routes, but on a more socially desirable basis, in terms of priority (vi).

In the maritime sphere, the study advocates increasing port capacity to cope with increased throughput from SADCC countries. Apart from providing additional jetty facilities and barges at existing ports, and possibly Swakopmund, construction of a new port along the northern coast is mooted. A Namibia Shipping Corporation to oversee maritime transport is also envisaged. As for civil aviation, the acquisition of additional aircraft and expansion of both domestic and regional flights is proposed (UNIN 1986:401-5). However, the suggested service level would require more aircraft than envisaged; nothing is said about operating to South Africa or the future of existing South African Airways services to Windhoek and Keetmanshoop.

Nevertheless, delinking from South Africa is seen as important. An immediate study to ascertain likely expert requirements, and the training of Namibians to fill operational posts and devise programmes at independence are urged. Cargo should be diverted away from the South African rail link as far as possible, and the physical requirements for doing so ascertained, including studies on construction of bulk loading and general cargo facilities at the ports. Road links with Namibia's neighbours should be improved, and the capacity created for operating all transport infrastructure and services. Overall, though it will be necessary in the short term to maintain operation of inherited transport services, and rehabilitate those affected by war or the departure of South African personnel. (UNIN 1986:407-8, 413).

As regards finance, the study does not go beyond a general discussion of the alternative strategies of requiring state sector organisations to operate commercially, i.e. break even, and providing subsidies on social policy grounds. Subsidies should be limited, if possible, with operational cross-subsidisation and the pricing of services used mainly by upper income groups at surplus-yielding levels. Furthermore, all possible non-prejudicial cost cutting measures, e.g. reducing over-staffing and importing fuel from cheaper sources than South Africa, should be implemented. The inherited financial and institutional arrangements will need restructuring in line with the new political economic order (UNIN 1986:409-13).

Overall, the UNIN study contains policy objectives and guidelines consistent with SWAPO's stated commitment to social transformation, self-reliance, disengagement from South Africa and ultimately a socialist mode of production. Given the dearth of data available to its authors, most recommendations in the transport sphere are of necessity qualitative rather than quantitative. This also precludes detailed comment on them, apart from pointing to one or two gaps (e.g. the lack of mention of the advisability/necessity of maintaining direct air links with South Africa) or possible contradictions (e.g. between the likelihood of significant rail service cuts as suggested in the introductory chapter, and the goal of maintaining inherited transport services in the short term). In a few cases, newly available data or recent developments change the complexion of specific propositions. For example, the transfer of fixed and movable assets to the Namibian authorities in 1985 presumably reduces the likelihood of their being withdrawn at independence - and hence the need to acquire new rolling stock. No acknowledgement is given in the context of planning and personnel requirements that training of Namibians for semi-skilled and some skilled posts has been increased inside the country in recent years. And availability of data contained in the ACTS report would have enabled a more sophisticated analysis.

6. CONCLUSION

It would be unfair to compare the UNIN study directly with the ACTS report, since the former is a comprehensive statement of political economic orientation, development objectives and fairly broad statement of sectoral priorities. As such it is far superior to the interim government's Draft Development Plan, in terms of consistency, appropriateness, detail of content, and analysis. Unlike the 2 Windhoek documents, the UNIN study sets out essential and consistent parameters and attempts to fill in the details accordingly. Hence, for example, subsidies are accepted as a necessary means to balance development in the desired way.

By contrast, the DDC plan and ACTS report, while professing the goals of Namibian independence and social development, actually subordinate these to South African interests and to promotion of minimally regulated free market capitalism. It is therefore hardly surprising that contradictions abound. The analysis is frequently superficial if not erroneous and conflicting statements have been detected between sections of the same report. Many of their proposals would, if implemented, be harmful to Namibia itself and/or increase dependence on South Africa. Transport policy in an independent Namibia is bound to be contradictory to South African interests.

1986 has witnessed the publication of an unprecedented volume of material on the future of Namibian development, and the critical role of transport therein, from opposing camps. Whatever the shortcomings of these documents, they have made important new data available and fuelled informed debate both inside and outside the country. Nevertheless, a tremendous amount of work remains to be done. Unfortunately, circumstances dictate that much of the detailed _in situ_ documentation and planning will not be possible before implementation of the UN peace plan embodied in Resolution 435, and the attainment of independence. This remains the dominant priority.

FOOTNOTES

1 Only two aspects of this were considered in the report and dismissed as likely generators of rail traffic:development of the Kudu offshore gas field and use of Lüderitz for discharge of fuel for southern Namibia (ACTS 1986:133-4).

2 The major commercial commodities (in terms of tonnage) carried are coal, base metal ores, cement, salt sand and gravel, cereals, livestock and petroleum. These are mainly low value to bulk, thus falling into low tariff bands and not covering full operating costs. Data in the report show that the discrepancy between costs and revenue increases slightly with length of haul.

3. The various arguments in favour of, and government constraints on, the provision of subsidies are well outlined in Palmer, Gwilliam and Nash (1984). Although allowances must be made for the many important differences between British and Namibian conditions, the underlying principles are in many respects valid. More specifically, Nash (1984:243) has shown

> "that the designation of some sectors {of British Rail's operations} as being purely commercial is inappropriate, since that means that benefits to users and to the community at large are ignored in decision-making. Similarly, the direction to maintain 'social' passenger services at a given level means that finance and investment are concentrated unduly on preservation of the existing pattern of service rather than on providing value for money... the criterion of maximising the (weighted) volume of traffic carried is advocated as a practical way of choosing between alternative fare and service level packages."

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