Husab and Ramatex as Foreign Direct Investments in Post-Independence Namibia: Neoliberal "wine in new bottles"?

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Abstract

In their rhetoric and agitation for freedom and independence, liberation movements envisioned a new economic order for the majority of their people that will thwart inequality and economic exclusion occasioned by colonialism and apartheid. The South West Africa People's Organisation (SWAPO) – Namibia's then leading liberation movement – promised economic opportunities for Namibians and was on record proposing a leftist economic order as opposed to capitalism. Most analyses of the postcolonial economic order in Namibia testify to the fact that these promises were not kept. Instead, Namibia followed a neoliberal and an outward-looking economic development path that prioritised the attraction of Foreign Direct Investment. This text analyses the content and character of neoliberalism in postcolonial Namibia by conducting a comparative analysis of two case studies of Foreign Direct Investment – Ramatex Textiles Namibia and Husab Uranium Mine. Using a qualitative research method, the text finds that in both cases, state and foreign elite convergence ensured a neoliberal environment characterised by general deregulation, exploitation of labour and relaxation of laws all in favour of foreign capital at the expense of the local population. The text argues that the continuation of a neoliberal approach to economic policy will deepen inequality in Namibia. Instead, it is proposed that Namibia must follow the path of a developmental state as is the case in Botswana, Tanzania and Mauritius.

Keywords: Husab, Ramatex, Foreign Direct Investment, neoliberal, Namibia.

Neoliberalism is understood as an economic outlook that holds that the best economic outcome occurs only when the economy is left untouched by the government whose only

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involvement in the economy is to be limited to the creation of an enabling environment for business to thrive. The market is seen as good and capable of solving all economic and social problems (Amupanda, 2017; Heywood, 2012). To Stiglitz (2019, para. 2), neoliberalism is an experiment that advocates for "lower taxes on the rich, deregulation of labor and product markets, financialisation, and globalisation." Clearly, neoliberalism is an economic outlook that favours unregulated markets and the minimal involvement of the state in the economy. The economy, which is integrated with other economies through globalisation, is only subject to market rules. The economic principles that are applicable in one economy are therefore also applicable in another because of this assumed uniformity (Arfken, 2018; Olsen, 2018).

This outlook originated in the United States (US) and United Kingdom (UK) whose leaders – particularly former UK Prime Minister Margaret Thatcher and US President Ronald Reagan at the time – vigorously promoted it, sometimes violently so, to the rest of the world in general and the developing world in particular (Heywood, 2012; Madgearu, 2019; Olsen, 2018). The collapse of the Soviet Union in 1989, then an ideological ally of many African countries, saw capitalism, operationalised by neoliberalism, spreading in the developing countries in general and in Africa in particular. African countries that were in debt during this period were forced to seek funding from international financial institutions – the World Bank and the International Monetary Fund – and in exchange were asked to carry out neoliberal reforms (Felder, 2009: Opoku, 2010). After attaining independence in 1990, Namibia, like other African countries, followed the same neoliberal script. At the time of drafting its constitution, neoliberalism was the popular economic orientation in the international political economy. The country subsequently followed the same path (Amupanda, 2017). Edwards, Cupido and Jauch (2011, p. 224) corroborate this: "Namibia's economic policies followed largely the neo-liberal dogma and were shaped by the desire to accommodate foreign investments, which was regarded as the engine of economic growth and job creation".

Edwards et al's (2011) viewpoint was also confirmed by former Prime Minister Nahas Angula (Angula, 2011). Edwards et al explain that the foreign direct investment (FDI) outlook of the country has been underpinned by neoliberalism. In the early years after independence, several laws were enacted for the purpose of attracting FDI. These include the *Foreign Investment Act (Act No 27 of 1990*) and others with a bearing on foreign investments such as the *Export Processing Zone (EPZ) Act (Act No 9 of 1995),* the *Import and Export Control Act (Act No 30 of 1994)* and

the *Customs and Excise Act (Act No 20 of 1998)* amongst others that all have a neoliberal underpinning (Bank of Namibia, 2006: Chimana, 2005). Others laws, such as the *Competition Act (Act No 2 of 2003),* the *Namibia Investment Promotion Act (Act No 9 of 2016)* were later introduced to further the same objectives. The neoliberal content, for example, in the Foreign Investment Act has been highlighted by the former Governor of the Bank of Namibia, Paul Hartmann, who had not only confirmed that the act provides favourable investments and tax incentives to foreign investors, but also suggests further deregulation and the retreat of government on matters of the economy in general and in foreign investments in particular (Hartmann, 2006).

In 2004, the Ministry of Foreign Affairs published a white paper titled 'Namibia's Foreign Policy and Diplomacy Management' – conceived to be the guide to the country's foreign policy. The paper states that "Namibia's domestic market is small… [the country] has decided to seize the bull by the horns by resolving to take part in the much-loathed process of globalisation…Foreign investment…is crucial. The targeting and mobilisation of these vital, externally-sourced inputs are the economic priorities of our foreign policy" (Ministry of Foreign Affairs, 2004, pp. 17-18). It, therefore, follows that much of the FDI in post-independence Namibia was underpinned by neoliberalism and the country naturally pursued neoliberal objectives. Neoliberalism has been held responsible for the promotion and sustenance of income inequality, poverty and underdevelopment particularly in the developing world (Caffentzis, 2002; Carmody & Owusu, 2016; Nissanke, 2001; Siddiqui, 2012). There is consensus that the neoliberal economic project has failed in the world in general and in the developing world in particular. Joseph Stiglitz, the 2001 Nobel Prize winner in economics, declared illustratively that:

> the neoliberal experiment …has been a spectacular failure. Growth is lower than it was in the quarter-century after World War II, and most of it has accrued to the very top of the income scale. After decades of stagnant or even falling incomes for those below them, neoliberalism must be pronounced dead and buried (Stiglitz, 2019, para. 2).

Edwards et al (2011, p. 224) submit that the "experiences in Namibia … point to the urgent need to depart from the neoliberal, free market approach to social and economic policy. The market-based paradigm of the past decades simply offers no hope for the poor". Similar conclusions have been arrived at by other scholars (Amupanda, 2016; Jauch & Tjirera, 2017; Melber, 2005; Uugwanga, 2012).

Research Design

This text follows this debate that problematises the neoliberal trajectory in post-colonial Namibia. It is an appraisal of the neoliberal FDI in Namibia that traces aspects of continuity and change. The key concern of the text is an assessment of the content and context of neoliberalism in the two FDI case studies - Ramatext Textile Namibia (RTN) and Husab Uranium Mine. The text follows a qualitative research paradigm that involves consulting a variety of secondary data sources. The text asseses neoliberalism by conducting a comparative analysis of the two high profile cases of FDI characterised by elite consolidation and convergence. It is these intricacies that make these case studies interesting.

Case Studies

Ramatex – a brief overview

RTN was a solely owned subsidiary of a Malaysian textile and garment company, Ramatex Group. At the time of its investment in Namibia, Ramatex was simultaneously operating in other countries such as Malaysia, Cambodia and China (Flatters & Elago, 2008). At its inception in 2001, the total investment of Ramatex in Namibia was valued at N$ 1 billion, with the prospect of providing just over 10 000 jobs and similarly stimulating the then dormant manufacturing export base in textiles and garments (Flatters & Elago, 2008). This investment by Ramatex was also viewed against knock-on effects that it would provide to other sectors through supply linkages, local labour development and resultant transport networks. At a time when the country was faced with an unemployment rate of 20.2% (Republic of Namibia, 2000), the investment of Ramatex would undoubtedly aid in mitigating associated development challenges (Wittaker, 2006).

This prospect for decreasing unemployment resonates with Shiferaw and Hailu’s (2016) claim that investments in the manufacturing sector often offer the opportunity to employ a large number of people and possibly reduce unemployment rates, directly and indirectly, in developing countries. The manufacturing sector, similarly serves as an impetus for the growth of other sectors. This was notably of importance to Namibia, as prior to the investment of Ramatex in 2001 the manufacturing sector was underdeveloped and only accounted for 5.3% of jobs in the country

(Ministry of Labour, 2000). This gave impetus to the Namibian government to compete for the investment of Ramatex against other countries such as South Africa and Madagascar (Jauch, 2006). Subsequently, Namibia succeeded in attracting Ramatex after presenting numerous neo-liberal concessions.

Setting up a factory under the name RTN, Ramatex's primary investment decision was based on the need to exploit the duty and quota free access to the US market through the Africa Growth and Opportunities Act (AGOA) (also known as the Trade and Development Act of 2000). By meeting requirements set by the US government, the AGOA provided for duty-free exports from Namibia to the US. As Dentlinger (2006c) explains, the Namibian government evidently went above and beyond in incentivising the investment of Ramatex in Namibia. As part of its investment decision, Ramatex was offered a substantial compendium of incentives contained in the EPZ programme. This was further supplemented by concessionary transport, utility, water supply and waste management offered by the government to Ramatex (Shindondola, 2003). Under the EPZ programme, Jauch (2006) laments that more concessions in the form of tax holidays and unrestricted repatriation of profits, among others, were offered to Ramatex to lure them into the country. The Namibian government further enlisted the use of parastatals such as NamWater (state water provision company) and NamPower (state electricity provision company) and the City of Windhoek in providing water and electricity to the factory. An additional incentivised concessionary package included subsidised water and electricity to the factory, a tax exemption on land use for 99 years, a government allocation of over N$ 100 million for the setting up of the factory site, including electricity, water and sewage infrastructure (Jauch, 2006).

It was increasingly clear that the Namibian government was willing to go above and beyond to ensure that Ramatex chose Namibia as an investment location over other Southern African Development Community (SADC) states. Dentlinger (2006a) claims that the South West Africa People's Organisation (SWAPO) led government was concerned with providing employment opportunities, hence the elaborate involvement of the political elite in offering incentives to Ramatex. According to Hopwood (2004), when Ramatex was criticised by Earthlife environmentalists, the then Minister of Trade and Industry, Hidipo Hamutenya was quoted as saying that the environmental activists "were running a 'sinister and 'subversive' campaign" against Ramatex (Hopwood, 2004, p. 11). Other members of the political elite who strongly and

openly supported Ramatex included Sam Nujoma [President of Namibia 1990 – 2005], Hidipo Hamutenya [Minister of Trade and Industry 1993 – 2002], Immanuel Ngatjizeko [Minister of Trade and Industry 2005 – 2007], Nahas Angula [Prime Minister 2005 – 2012], (Dentlinger, 2006a,c; Isaacs, 2006; Ramatex factory not closing its doors 'at least for now', 2005).

Loewendahl (2018) supports the general concessionary approach of governments incentivising foreign investors and states that this should be done using a cost benefit analysis by looking at the overall benefit the country stands to receive by such an investment. Other scholars (Jauch, 2006; Marenga, 2017) vehemently advocate for the pursuit of FDI that is sustainable vis-à-vis host country developmental goals and objectives. This is because despite the generous concessions awarded to Ramatex, the result was a short-lived, low-impact benefit in providing employment opportunities (Magadza, 2009). Interestingly, the various concessions provided for a conducive investment environment did not meet government's expectations in propelling economic growth, increase inward foreign investments and sustainable growth of the manufacturing sector. During its operation in Namibia, Ramatex was characterised by numerous social, economic and environmental irregularities. Environmentally, Ramatex contaminated the Goreangab dam reservoir, underground water and the air quality at the factory and surrounding areas (Magadza, 2009). Isaacs (2006) indicates that the Ramatex management never admitted guilt nor did they take remedial action in preventing further pollution. However, in what appears to be an extension of the neo-liberal stance of government, the City of Windhoek offered to take over the waste management at the factory (Dentlinger, 2006a).

Grobler (2008) and Jauch (2006) affirm that Ramatex blatantly went against labour laws and exploited employees which ultimately culminated into numerous industrial actions. Interestingly, during these strikes government advised employees and trade unions to be patient and refrain from making demands that could potentially scare away current and prospective foreign investors (Jauch, 2006). A study published by the Labour Resource and Research Institute (LaRRI) indicates that Ramatex was characterised by extensive abuse of workers' rights such as mandatory pregnancy tests for female job applicants; no remuneration for employees on sick leave; low wages and no fringe benefits; inadequate workplace health and safety measures; mistreatment of employees by supervisors; and outright antagonism towards trade unions (Jauch & Shindondola, 2003).

These abuses were in direct violation of the provisions stipulated in the AGOA which Namibia was a signatory to. As Bieler and Lee (2017) argue, foreign investors often try to overstep their boundaries in an effort to cut operational costs by violating labour laws in relation to wages and workplace safety. The labour violations at Ramatex contradicted the AGOA provisions: "…the protection of internationally recognised workers' rights such as the rights to free association, to organise, to bargain collectively and the right to 'acceptable conditions of work', including minimum wages, hours of work as well as occupational health and safety standards" (Trade and Development Act of 2000, p. 4).

Following numerous reports and complaints on labour malpractices at the Ramatex factory, Namibia Food and Allied Workers Union (NAFAU) the trade union representing the employees which was relatively new to the clothing and textile sector as it had just added the sector to their portfolio, was forced to take action (Jauch & Shindondola, 2003). This brought with it numerous challenges as the officials of the union were on many occasions refused access to the factory site in Windhoek's Otjomuise location. NAFAU found it extremely difficult to engage with the Ramatex management due to their intransigence that was partly fuelled by the support Ramatex enjoyed from government (Dentlinger, 2005).

There has been series of reports citing clashes between employees and the management of Ramatex on various occasions. In the year 2000, for example, the LaRRI (2005) reports that workers went on a strike in protest against ambiguous employment contracts that had set their salaries at N$360 per month. This was abandoned after the intervention of the Ministry of Labour and NAFAU that saw Ramatex management indicate that employees would be paid a performance-based pay in addition to the N$360 basic pay. Herbert and Shindondola (2003) stress that had the union and government not intervened, employees would have been forced to accept the monthly N$360 basic salary. In April 2003, about 3000 employees embarked on yet another strike against poor wages and conditions of employment that resulted in the closure of the factory by Ramatex management who threatened to sack all employees. Efforts by NAFAU to have the factory reopened after the closure proved futile. The factory was only reopened after two weeks. Later in the same year, Ramatex suspended 416 employees without pay for having master-minded the strike (Inambao, 2003). This inspired a strike by Asian migrant workers whose demands were similar to those of staffs that went on strike earlier in April. This strike only lasted a few hours and

was kept under wraps by management but it resulted in the dismissal of seven Asian migrant workers (LaRRI, 2005).

As the recognised union representing the Ramatex employees, NAFAU was able to make little or no progress on substantive issues. For instance, an agreement which was reached for the introduction of transport allowance for all employees in 2005 was never implemented by Ramatex. Reports on unfair labour practices and unwillingness to negotiate were filed against Ramatex at the Office of the Labour Commissioner by NAFAU, but no action was taken (Jauch, 2006). Such efforts by the union were often confronted with threats by Ramatex to move its operation out of Namibia. The retrenchment of employees in 2005, 2006 and 2007, as well as the closure of one subsidiary by Ramatex, undoubtedly signalled its intentions of relocation from Namibia (Goldstein, 2007). Jauch (2008) argued that from the onset, Namibia was a temporary production site. In 2008, Ramatex finally carried out its threats and relocated from Namibia with an aggregate of over 3000 persons left unemployed (Weidlich, 2008).

Ramatex thus proves to be a classic case of the results and consequences of neo-liberal globalisation. The need, therefore, arises to profoundly challenge the nature of these types of MNCs by addressing and questioning the shortfalls of the neo-liberal global order. This may be achieved through an instrument of democratic control and management to halt the exploitative activities and the unrestricted supremacy of capital.

Husab Mine – a brief overview

Husab Mine is a subsidiary of Swakop Uranium that came into existence as a result of a partnership agreement between the Namibian and Chinese governments. Swakop Uranium was established by an Australian company, Extract Resources, in 2006 with a primary focus on the exploration, evaluation, development and production of Uranium Oxide (World Nuclear Association, 2014). Ownership of Swakop Uranium changed hands in 2012 to Taurus Minerals Limited, a subsidiary of the state-owned China General Nuclear Power Company (CGNPC), Uranium Resources Co. Ltd. and the China-Africa Development Fund. Taurus Minerals Limited owns 90% of Swakop Uranium, while 10% is owned by Epangelo Mining, which is a state-owned Namibian mining company (World Nuclear Association, 2014; Zhuwakinyu, 2013). Since the attainment of Namibia's independence, the investment of China through CGNPC in Swakop Uranium (about N$21 billion) is on record as one of the largest in the country and in the African

continent (Zhuwakinyu, 2013). In 2011, the Namibian government awarded Swakop Uranium with a license to develop the Husab Mine (Duddy, 2011). The Husab Mine is the largest uranium mine in Africa and the second largest after the McArthur River Uranium Mine in Canada (World Nuclear Association, 2014). Production at the Husab Mine commenced late 2016 and mining is expected to last for 20 years. According to the government economic blueprint, the Harambee Prosperity Plan, at full production mode, the operations of the Husab Mine is expected to economically contribute N$ 220 million in royalties, N$ 7 billion in Namibian exports, and it will add 5-7% to Namibia's GDP (Republic of Namibia, 2016). This prospect, among others, served as a motivating factor for the Namibian government to engage with foreign investors in this sector.

In an effort to make Namibia an "attractive investment location" in 2006, assurance was given to the initial Australian-based Extract Resources by the Namibian government that the then newly-passed minerals policy would not be applicable to the Husab Mine and the mine would receive an assessment based on their own merits (Husab's mine life up to 20 years, 2011). This concession applies to the Husab Mine, under the management of Swakop Uranium. Furthermore, with the 2011 amendments made to Namibia's taxation laws, government indicated that it was willing to consult in an effort to sustain its status as an ideal investment location in the natural resources sector (Husab's mine life up to 20 years, 2011). The above posture shows the willingness of the Namibian government to bend the law in an effort to be an attractive investment location. Haque (1999) cautions against this this type of neo-liberal posturing and posits that the bending of laws should not be at the cost of the host country and its populace. The case of Husab Mine is a direct opposite of Haque's (1999, p. 199) observation that "…during the post-independence period, there emerged a form of developmental state in countries which adopted various state-centered, interventionist development plans and programs to reduce foreign ownership, enhance economic self-reliance, redistribute income, develop infrastructure, and promote the overall living standards of the people."

Since the takeover of Swakop Uranium and Epangelo Mining at the Husab Mine, the operations have been dogged by controversy with reports suggesting labour malpractices. Sasman (2018b) indicates that the mine has been accused of various labour-related issues such as maltreatment of local employees and favouritism towards foreign employees. In 2015, employees went on a strike to voice their grievances. A report by Hartman (2015) states that Husab Mine pays

its employees lower than market-related standards, with no benefits such as medical aid and housing allowance. This could be attributed to the delayed signing of the recognition and procedural agreement between the mine and the Mineworkers Union of Namibia (MUN) at the time (Hartman, 2015). Furthermore, there has been complaints over the recruitment of foreign nationals at the expense of Namibians at the mine through subcontractors such as Group Five, which is responsible for infrastructure maintenance.

An agreement was finally signed by Swakop Uranium and the Mine Workers Union of Namibia in 2016, which stipulated a Three Year Wage Agreement to standardize the general framework on the conditions of employment which would provide employees within the bargaining unit housing allowance, with the option to purchase or rent housing units (Hartman, 2015). In 2019, employees went on a strike to express their dissatisfaction with workplace safety measures put in place by Beifang Mining Services CC, a contractor responsible for blasting. There has been increasing reports of safety concerns following several incidences that were blamed on the Chinese contractor (Beifang Mining Services CC) for not exercising caution in dealing with material that has the prospect for detonating (Tjambari, 2019). Government, as a shareholder through Epangelo Mining, has not pronounced itself on any of these incidents.

The current joint ownership of the Husab Mine provides for a rather subtle approach to foreign investment with the aim of enabling local and national development. In this case, as DeBoom (2017) puts it, development is not always evident. In fact, evidence suggests that the distribution of costs and benefits are unequal, even after considering the shareholding ratio of 9/1 wherein the Namibian government only has an ownership stake of 10% (DeBoom, 2017). The involvement of the political elite has always been evident in this partnership agreement. Access to mining mineral resources has been used by the political elite as a tool to garner political goodwill before the attainment of Namibia's independence (DeBoom, 2017). This was done under the premise that the mining sector possesses a great prospect for propelling economic development nationally (Namibia Press Agency, 2016).

This partnership agreement clearly provides for this opportunity. The above is buttressed by Ramutsindela (2013) who indicates that the use of mining to advance political aspirations and ideologies has been commonly used in African states to gain power, relevance and dominance. This was materialised through the establishment of Epangelo Mining, a state-owned enterprise

(SOE) in 2009. This SOE provides government leeway in the management and exploitation of natural resources, and similarly shapes the mining industry. The developmental impact from the Husab Mine reinforces the position of government in using mining as a stepping stone towards achieving development (DeBoom, 2017). Fortifying the post-colonial stance, the Namibian government strongly advocates for a state-led development approach through mining. Although the results are not always obvious, those working in the mine and the surrounding communities stand to be exploited. This is supported by reports that suggest the operations of Husab Mine have had a negative social, environmental and economic impact (Hartman, 2017). This is further buttressed by DeBoom (2017, p. 75), who notes that:

> Namibia's Topnaar minority group is one example of a population that faces heightened environmental (desert-dwelling) and social risks (livestock-herding livelihood, indigenous shelters vulnerable to dust) from intensified uranium extraction. The Topnaar have little representation in national government and rely on livestock herding, which increases their exposure to uranium-associated air and water pollution. Uranium mining's water requirements have decreased the water available for their drinking, cooking, agriculture, and livestock needs. While Namibia has stricter environmental regulations for mining than many African states, Topnaar representatives indicated that their mining-related concerns often go ignored.

The Namibian government has not indicated how this minority group would be protected against the adverse effects that mining uranium has on its immediate communities. This reluctance could be attributed to the 10% stake government has in Husab Mine and this therefore places it in a conflict of interest situation. By virtue of this 10% shares, literature suggests that the political elite have a passive hand in the operations of Husab Mine (DeBoom, 2017). One such case was recently witnessed during a labour stand-off between the Husab management and employees. Chiringa (2019) states that the President-appointed Governor of the Erongo Region, Cleophas Mutjavikua (a member of the wage negotiation team of the Mine Workers Union), in a leaked audio recording gave advice to the management of Husab Mine on how to weaken the bargaining power of the union representing employees in a wage and workplace safety negotiation. This was to be achieved through a re-organisation clause in the Labour Act that could result in the retrenchment of

employees if the union does not submit to the demands of management during negotiations (Hartman, 2019).

Findings and discussion: Husab and Ramatex – A comparative analysis

The dynamics around the investments of both the Ramatex and Husab Mine provide for an interesting comparison especially in light of the neoliberal approach with which the Namibian government has engaged with these investments. There are various similarities evident in these two investments based on the typical merits of neoliberalism. These investments came about as a result of neoliberal concessions and "bending" of laws that would lure investors into the country as illustrated here-forth. In the case of Ramatex, government went all out by making various concessions. Ramatex was accorded EPZ status under the provisions of the EPZ Act. This status allowed for Ramatex to enjoy unconventional benefits such as:

> Corporate tax holiday; Exemption from import duties on imported intermediate and capital goods; Exemption from sales tax, stamp and transfer duties on goods and services required for EPZ activities; Reduction in foreign exchange controls; Guarantee of free repatriation of capital and profits; Permission for EPZ investors to hold foreign currency accounts locally; Access to streamlined regulatory service ("one stop shop"); Refund of up to 75% of costs of pre-approved training of Namibian citizens; and Provision of factory facilities for rent at economical rates (Jauch 2006, p. 3).

Additionally, part of the primary reasons for Ramatex' investment in Namibia was to take advantage of the AGOA that provided for export duty-free to the US market. In addition, Ramatex benefitted greatly from factory site preparation that was financed by government. However, in terms of the Husab Mine, the opportunity to own 90% of one of the biggest uranium mines in the world served as incentive that would increase the Chinese governments' nuclear power generation capabilities and standing globally (World Nuclear Association, 2019).

As indicated in earlier text, it appeared as though Ramatex enjoyed full support from government and felt "untouchable". This became evident with the reluctance of Ramatex management to engage with the NAFAU on employee-related issues. The Labour Act, which was in force, was not adhered to by Ramatex on various occasions. Further evidence of political support from government points to the pollution of underground water reservoirs and the Goreangab dam

that is located close to the factory. Pollution was caused by the illegal dumping of residue dye and sludge that the factory no longer had use for (Magadza, 2009). Despite these blatant disregard for the laws of the country, government never engaged/reprimanded the management of Ramatex for the illegal operations at the factory. Similar sentiments on the disregard of local laws are documented (Flatters & Elago, 2008; Grobler, 2008; Jauch, 2008; Jauch & Shindondola, 2003; LaRRI, 2005; Magadza, 2009). The disregard for local laws appears to have been as a result of the close relationship the management of Ramatex enjoyed with the political elite. This particularly made it even more difficult for NAFAU to make progress in negotiations on substantial issues. All in all, these dynamics appear to suggest some form of collusion between the management of Ramatex and the political elite. A similar trend is visible in the case of Husab. Reports suggest that the Husab Mine has been in breach of the labour laws since inception. These include low wages, unsafe work environment, favouritism and ill treatment of employees. Numerous industrial strikes have occasioned some of these breaches but reports suggest that employees always get short-changed in these agreements (Sasman, 2018a).

Despite the core similarities in terms of the approach of government towards these investments and the anomalies with regard to labour issues, there are material differences. Firstly, the ownership of Ramatex and the Husab Mine are from two different foreign investors that have origins in two different countries. RTN as a subsidiary of Ramatex Group hails from Malaysia, while Husab Mine is subsidiary of Swakop Uranium that is 90% owned by a subsidiary of the state-owned China General Nuclear Power Company (CGNPC), Uranium Resources Co. Ltd. and the China-Africa Development Fund, and 10% owned by Epangelo Mining, a Namibian SOE (Jauch, 2006: World Nuclear Association, 2014). What the above ownership dynamics demonstrate is that, with Ramatex, there was no local participation in terms of the ownership while the model of Husab provided for a 10% ownership of the Namibian government through its SOE, Epangelo Mining.

The implication of these ownership differences is that, the primary contribution of Ramatex to development was through short-lived employment creation, which according to Ghebrihiwet and Motchenkova (2017), is not sustainable for long-term local benefit. As part of its incentives under the EPZ status Ramatex was accorded, it had subsidised electricity and water, rent-free use of the factory, no contribution to government in terms of corporate taxes as well as exception from

import and export duties (Republic of Namibia, 1995). This allowed for a minimal contribution to government in terms of revenue. However, in the case of Husab Mine, government appears to be deriving more revenue in proportional comparison to Ramatex. The Husab Mine contributes to the Namibian government's coffers through water and electricity tariffs, export, import and corporate taxes amongst others (Republic of Namibia, 2016). In addition, although the 10% shares of Epangelo Mining were acquired as a result of a loan from China, this still allows for revenue stream into state coffers. In addition, the ownership model adopted by the Husab Mine that allows for local ownership provides for sustainable investment (Ghebrihiwet & Motchenkova, 2017). This allows for government as a shareholder to have a say in the management of the mine. If a similar model of co-ownership was applied to the investment of Ramatex, it would have played out differently and the ensuing abrupt divestment would have been avoided alongside the resultant negative effects.

What appears to be interesting is that in the investment of Ramatex government publicly supported its operations and went even further to advice NAFAU and the employees to not cause trouble as this would chase investors away. However, in the case of Husab Mine the approach appears to be more subtle and indirect. The case of Husab allows for Namibia's political elite to claim revenue generation benefits for the country in an effort to consolidate political legitimacy of the state for providing mining-led development (DeBoom, 2017). However, for the lay person, this is merely the manifestation of material politics, that prioritises economic growth above or even at the cost of, alternative development aims such as health and environmental sustainability as earlier noted as regards the Topnaar community. The case of these two investments and the neoliberal approach they were engaged in point to the need to consider an alternative model that provides hope for the poor and generally allows for Namibia as a country to reap as much benefit as possible from FDI.

Conclusion – Is there an alternative model?

Namibia is one of the African countries endowed with mineral resources. At the same time, Namibia is one of those countries with high levels of inequality by various international standards. The neoliberal dictum holds that economic development can only be brought about by the private sector without state involvement. This text has demonstrated that this approach is discredited. Since independence, Namibia has followed the approach of the discredited neoliberal policy – an

admission made not only by scholars but also by principal policy makers. The neoliberal economic policy was to be achieved by an outward-orientated development path in which FDI would be central. In official policy instruments such as the outlook of the country's foreign policy as discussed in this text, the government argued that the Namibian economy and market are small and, therefore, would need to rely on outside assistance for which FDI was the vehicle.

This text assessed FDIs, in the form of Husab Mine and Ramatex, over the past 18 years. We find that these cases are all underpinned by the neoliberal approach that has failed. In the case of Ramatex, the country is now worse off than it was before the investment. The factory closed down in 2008, leaving more than 3 000 Namibians unemployed. Since the state gave a number of incentives, including tax reliefs, in the hope that this foreign investor would stay, the departure of the company can lead to regretful thoughts of what the state would have gained had it not granted neoliberal-inspired concessions. The damage to the environment remains and the state's financial contribution that totalled more than N$ 100 million can be regarded as money down the drain. A few years after Ramatex closed down, Husab Mine opened. One would believe that what happened during the Ramatex case would have served as a lesson in terms of how the state approaches future foreign investments to avoid a repeat. Apart from a minor difference of the ownership of 10% in Husab by the state through Epangelo Mining, much of the conditions that occurred during the Ramatex are still witnessed at Husab. The political elite, as discussed in text, remains in collusion with the foreign investors to achieve the objectives of the foreign investors instead of standing with the workers and prioritising local and national development needs. The unions are still struggling to make significant headway in labour relations. As it was the case at Ramatex, numerous industrial strikes are taking place at Husab Mine on similar labour laws' violations because of the same neoliberal approach. The foreign shareholders of Husab, as was the case with Ramatex, are aware that they enjoy the unwavering support of the government elite. This is why we conclude that the case of Husab Mine is somewhat a continuation of the state of affairs that characterised Ramatex albeit with minor adjustments. It is thus a continuation of an "old neoliberal wine in new bottles".

The question that is perhaps important to consider is whether there is an alternative model. There are many cases worth considering. Unlike Namibia, Botswana is regarded as a case of a successful developmental state. A developmental state is a state that has successfully managed to

attain economic growth without following the neoliberal path (Sandbrook, Edelman, Heller & Teichman, 2007). On the African continent, Botswana and Mauritius are regarded as successful cases of developmental state. These states intervene in the economy and define priority areas. In the developmental state, there are few cases of exploitation of labour and industrial strikes, for the state is able to bring both labour and capital together to pursue economic development agenda without siding with either of the parties (Khan, Grundling, Ruiters, Ndevu, & Baloyi, 2016: Kohli, 2004; Sandbrook, et al., 2007). Instead of "bending over backwards" and allowing market forces and foreign investors to do as they please like Namibia, Botswana pursued an interventionist state whereby the state is actively involved in the economy. As a result, the government owns 50 percent of the diamond industry (Maipose, 2008).

Similarly, under the leadership of President John Magufuli, Tanzania introduced several laws such as *The Natural Wealth and Resources (Permanent Sovereignty)* and *The Natural Wealth and Resources Contracts*, amongst others, which all seek to position the state to assume an interventionist character in the economy and move towards a developmental state (Majinge, 2010). Several scholars researching on African political economy and the developmental state all agree that Tanzania is well on a path towards a developmental state (Jacob & Pedersen, 2018; Kinyondo & Huggins, 2019; Ovadia & Wolf, 2018; Roder, 2019).

The developmental state, and indeed a move away from neoliberal policy approach, will not occur easily. We argue that, judging from the ideological outlook of the Namibian political elites, this will be a tall order. It is for this reason that we submit that a bottom-up awakening and advocacy need to emerge to agitate for policy change. Both labour and civil society need to mount a serious challenge to the political elite to discredit neoliberalism in Namibia. As this text has demonstrated, the labour unions appears weak and are easily dismissed by capital. Since a greater majority of organised labour in Namibia remains affiliated to the ruling party, the position of the SWAPO elites often becomes that of the unions. This has had a negative impact on labour relations in Namibia resulting in the neoliberal project remaining unchallenged (Jauch & Sakaria, 2009: Klerck, 2008). For the neoliberal project to be challenged, organised labour needs to be radicalised. Like Namibia, South African organised labour was also predominantly linked and aligned to the ruling African National Congress (ANC). The establishment of Association of Mine-workers and Construction Union (AMCU), which was not affiliated to the ANC, radicalised labour and led to

meaningful change in labour relations particularly in the mining industry (Buitendag & Coetzer, 2015; Kujinga, 2014; Lynch, 2012). Without an interventionist state – as is the case in Mauritius, Tanzania and Botswana – and without the radicalisation of labour, Namibia's neoliberal project is likely to remain intact, reproducing inequality while exploiting the labour and resources of Namibia.

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