



(<https://www.facebook.com/NewEraNewspaperNamibia/>)



(<https://twitter.com/neweranewspaper>)



(<https://www.newera.com.na/feed/>)



(<https://www.newera.com.na/>)

< > N-BiG training empowers bush harvesters

Demystification of the marine phosphate mining debate

November 4, 2016

✉ (mailto:?)

subject=New%20Era%20Newspaper%20Namibia%20of-the-marine-phosphate-mining-debate%2F)



Namibia's democracy is commendably healthy and vibrant as evident in the lively, impassioned, and livid, albeit at times ill-informed and unreasoned opinions of some of its citizens on nationally important topics such as the ongoing marine phosphate mining debate, which seemingly has reached an impasse.

Some have even started to make gloomy references to sectoral state capture in Namibia, equating the matter to the ongoing events in our big brother's backyard, while others filed lawsuits with the High Court to set aside the environmental clearance licence granted.

Inferring from daily media coverage, those few Namibians, whose views are reflected in the media, have entrenched themselves against phosphate mining. Also, for the first time in Namibia's post-independence political history, the public have witnessed an unprecedented open public row emanating from contrasting views on this matter, between senior members of the Executive branch, which gave rise to the parliament division claim. Indeed, the matter has reached an unmatched emotive intensity and progression, never countersigned, since the demise of apartheid in 1990, on the Namibian political landscape.

Dropbox Business

See what's new in Dropbox Business

Try it free



And rightly, or wrongly, such amplified public emotionalism has caused the matter to don political undertones. Hopefully, the just concluded ruling party's policy conference has dealt with the issue of inner-party disagreements, and reinforced in party cadres the quintessence of party loyalty; which is adherence to the principles of collective responsibility, decision-making and accountability, to preclude future similar displays of party discipline erosion and unity fragmentation.

The global, regional and national economic context

The phosphate polemic should be correctly positioned within the wider global, regional and national context of depressed geo-political economic climatic conditions, and the pressing development challenges facing Namibia.

For Namibia, the IMF, despite a forecast by Namibia's central bank of a 4.3 percent growth this year, projected a drop to 2.5 percent growth due to a slowdown in the public infrastructure sector, reduced commodity prices and the prolonged drought. The cumulative effects of these economic slowdowns were revealed by Namibia's Finance Minister Calle Schlettwein last week, in the Mid-Year Budget Review Policy Statement. Resulting in a precarious fiscal position for Namibia of a revenue shortfall of 9.0% or N\$6.23 billion for the current financial year, a budget deficit change from the budgeted 5.3% to 8.3%, and 7.8% for the FY2016/17, well above the 5% target; an increase in public debt for FY2015/16 from 36.7% to 40.1%, and estimated at 42.4% by end of this financial year if not addressed now.

Vision 2030 and HPP funding imperatives

Most importantly, the Harambee Prosperity Plan (HPP), as the accelerated implementation tool towards the realization of Vision 2030, through its five pillars, requires not less but more funding, which one would estimate should run into billions.

Clearly the deliverables to ensue from the HPP pillars which are among others a high-performance and citizen-centered culture of service delivery; significant reduction of poverty levels; a reputable and competitive vocational education training system; broader participation in the Namibian economy; improved access to serviced land, housing and sanitation; guarantee of energy supply, and sufficient water, cannot come forth by anything else other than enhanced capital funding.

Contrary to such required funding, the Finance Minister in absolute inevitability, as outlined previously, indicated for the FY2015/16 year combined operational and development cuts of N\$5.5 billion, and announced a portfolio of potential new taxes and measures (environmental taxes, export levy bill, possibility of a solidarity tax, possibility of a presumptive tax on the informal sector and small units and so forth) for introduction to retain the credibility of the economy. It is granted that whatever is being



(<https://www.newera.com.na/2016/11/04/deep-budgetary-cuts-will-hurt-domestic-economy/>)



(<https://www.newera.com.na/2016/11/04/namibias-competitive-advantage/>)



(<https://www.newera.com.na>)

proposed to steer the Namibian economy towards safety is being done in good faith and as per the currently available information to policy makers.

However, being, a small economy, and thereby one with the highest income and business tax rates in the region, most probably such new taxes may or may not prove sustainable in the long run (there is no guarantee in this regard), and could even have the antithetical impact of rendering the economy uncompetitive.

Additional plans in the fiscal armory include containing the public sector wage bill, which even though not said currently, could still lead to potential future hard measures such as rightsizing, as the unsustainable nature of the current escalating public sector wage bill is evidently pointing to that direction.

As a result, Namibia will do well not only to rely exclusively on the range of fiscal measures announced by the Ministry of Finance, but to go deeper into product differentiation or diversification in the form of new industries, to expand the economy and the tax revenue base.

For Namibia to avert tumbling into the breadbasket archetypical scenario, or coming under neo-imperialism as per the adage that "He who pays the piper calls the tune", it pensively has to make hard choices on its own development priorities through the application of facts separated from fiction within Namibia's development context.

The guiding interest of the state

There are many ways to address the marine phosphate mining debate, but one of them is not via populist grandstanding, slander, legal threats and unjustified anger and public exhibitionism. In the same way that an environmental impact assessment study was done on marine diamond mining, deep sea trawling and other sectors, over the years, and following rigorous bureaucratic procedures, the same and not less should be applicable in this case.

If such EIAs were not done for these sectors, perhaps it may be the right time to revisit the after-effects, or if in the case of marine phosphate mining they were done incorrectly, let the processes be revisited and whatever needs to be corrected be done, without calling into disrepute and vilifying the Office of the Environmental Commissioner which since establishment under the Environmental Management Act (No. 7) of 2007, has been executing this task impeccably.

We all wish, living in a perfect society, where everyone is truly equal, where there are no sufferings, pains, inequality, killing of women, abuse of children, sanctity of the environment and the likes, and we all endeavor to work towards that society, but for now we have capitalism and should make some good out of its imperfections through the creation of a strong welfare state, to look after and uplift the vulnerable in our society, and also the environment too. It should never be a zero-



(<https://www.newera.com.na/2016/11/04/deep-budgetary-cuts-will-hurt-domestic-economy/>)



(<https://www.newera.com.na/2016/11/04/namibias-competitive-advantage/>)



(<https://www.newera.com.na>)

sum game, as the current situation suggests, but a win-win situation that we should strive for.

It is not a matter of who is right and wrong, or is a friend to the President or not, neither that some are greedy or not, nor that some are correct because they want to protect the environment; both the antagonists and protagonists in this matter may be right and or wrong, but all do possess common sense, except that they think differently and do not concentrate on the same considerations.

Others contemplate to protect the fisheries sector from perceived injury, so they could continue with its positive exploitation, and others also consider mining phosphate safely to develop that sector, make income and provide jobs too. But whatever they do, such should be informed by right motivations (ethics), and I will also add by scientific enlightenment too. The fact that something was never done by anyone in the world is not an empirical yardstick for decision-making.

Government's decision-making should not be overawed by conventional wisdom-centered resistance, rather in the words of Deng Xiaoping, it should be single-mindedly resolute to "cross the river by feeling the stones," guided exclusively by its *raison d'état*, premised on the Social Contract with the electorate, and within the transparent procedural confines of the Namibian Constitution and Law.

• These views are strictly of the author.

Link to this story!

<https://www.newera.com.na/2016/11/04/deep-budgetary-cuts-will-hurt-domestic-economy/>

Leave a Reply

Your email address will not be published.

Add your comment

8

+ eight =



[\(https://www.newera.com.na/2016/11/04/deep-budgetary-cuts-will-hurt-domestic-economy/\)](https://www.newera.com.na/2016/11/04/deep-budgetary-cuts-will-hurt-domestic-economy/)



[\(https://www.newera.com.na/2016/11/04/namibias-competitive-advantage/\)](https://www.newera.com.na/2016/11/04/namibias-competitive-advantage/)



<https://www.newera.com.na>