

THE WEEKEND READER

“Your Weekly Digest on Debt, Development & Social & Economic Justice”

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ZAMI 2020 CALLS FOR A PEOPLE CENTRIC US\$12 BILLION MINING INDUSTRY

Our focus this week is on the 2020 Zimbabwe Alternative Mining Indaba (ZAMI) held from the 30th of September to the 1st of October in Bulawayo. We summarise salient issues from the speech that was delivered at the ZAMI by the ZIMCODD Executive Director Janet Zhou.

The main theme of the 2020 ZAMI sought to promote *an inclusive and equitable US\$12 billion mining industry anchored on sustainable mineral resource management*. For this proposed growth of the mining industry to have meaning to the citizens of Zimbabwe, there is need for a just and equitable mining and mining reforms to achieve sustainable development. Through the ZAMI, the various stakeholders thrive to reduce mining induced inequalities through promotion of good governance and management in the mining sector.

To ensure that the government's proposed \$12 billion mining industry see the light of day, there is an urgent need to address the rising gap in inequalities, curb Illicit Financial Flows and promote transparency and accountability in mineral revenue governance.

Within the current context, it is important to continue advocating for a people centred budget in the Post-COVID-19 period. The COVID-19 pandemic has had devastating effects on all economies of the world with Zimbabwe being no exception. Apart from COVID-19, Zimbabwe is grappling with climatic-induced drought, macro-economic shocks and the effects of Cyclone Idai. All sectors of the economy have been affected by the COVID-19 pandemic, especially the informal sector, agriculture, transport, manufacturing, tourism and mining.

Zimbabwe's poor and vulnerable populations, particularly, women and youth are struggling to cope with the weak social protection mechanisms. Yet it is well documented that the failure of Zimbabwe to respond to major crises is a result of deliberate policy and political choices. ZIMCODD is strong on demanding that the proposed \$12 billion industry should be nested into a people centred budget which should:

- **Restore fairness to the tax code**, strengthen social protection measures, and ensure long-term fiscal sustainability;
- **Promote resuscitation of industry and commerce**, economic recovery and growth and creation of employment;
- **Facilitate economic opportunity for all** segments of the population by promoting affordable education and health care whilst increasing disposable incomes of low wage earners;
- **Increase tax progressivity and adequacy** by implementing higher marginal tax rates for high income earners and corporates, eliminating inefficient corporate tax loopholes, removing unjustifiable tax incentives to large conglomerates and reducing the tax burden on marginalised groups like women, the youth and people living with disabilities; and
- **Foster Effective debt management** – The Mid-Term Policy Review Statement highlighted that Zimbabwe had no budget deficit in the first half of 2020 yet poverty has increased exponentially. The People's Budget would promote fiscal responsibility and reach a sustainable public-debt trajectory by raising revenue through Domestic Resource Mobilisation (DRM) progressively.



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