

ADDRESS BY HON HEIKO LUCKS

ON THE APPROPRIATION BILL,

5 MARCH 2014

Thank you, Honorable Speaker.

As I rise today for my contribution to the debate on the National Budget, may I start off by expressing my utmost disbelief that we are now in the second year without a Deputy Minister of Finance. Let me be clear that I have confidence in the abilities of the Minister, but let me be also clear that I find it absolutely unacceptable that she, for such a prolonged time has had to operate without a Deputy. Is this perhaps a sign that the President does not consider this Ministry important enough to appoint a Deputy. Or Perhaps the President is faced with the dilemma that there are no suitable, competent Members of Parliament within the ranks of his party that could be appointed to such an important position. Perhaps the President will inform the Nation about this unacceptable situation during his State of the Nation address.

Honorable Speaker, Honorable Members. During her budget statement on 19 February 2014, the Minister has again painted a rosy picture of the general situation that we Namibians find ourselves in. But she also pointed out the many challenges that we, as a nation face. What was interesting to note was the subdued and uninspiring way in which she spoke about Governments achievements, as if she herself was not

100% convinced about the list of stated achievements. Similarly, she listed the challenges we are facing, and I hasten to say that those are exceedingly serious challenges that need our urgent attention, without showing much passion for solutions and policy interventions that are required to overcome these.

I run the risk of repeating much of what has been said about the 2014 Budget already. But I am also of the opinion that repetition is one of the best ways to ensure that a message, as well as the importance thereof, is clearly understood. Some of the messages that I would like to repeat are the following:

1. The fact that no increase in old-age pensions has been announced is unacceptable. An increase only every second year will continue to increase the destitute of our senior citizens as prices of basic goods and services needed to lead a decent and worthy life are increasing much more regularly than only every two years.

2. The massive increase in debt year after year means that we are on a dangerous path of peril. I have mentioned this in previous years and the Minister will not convince me that this growth in debt is within control, especially when the growth is at a rate of a staggering 27.2 %. Our mushrooming debt will haunt us in the years to come.

3. TIPEEG has been a massive failure. Very few permanent jobs have been created. Jobs were mainly created in the construction of infrastructure and as soon as these projects have been completed, most jobs have been lost again. Perhaps that is the reason why the Minister has only mentioned figures about temporary jobs **created** through TIPEEG but has been silent about the number jobs that have been **lost** in the same time in our overall economy.

4. The execution rate of government projects is decreasing year after year. This is extremely worrisome, especially if it becomes clear that many OMA's budget for the filling vacancies year after year and still they fail to actually appoint people in these positions. To illustrate my point, I would like to refer the house to the annual report of the Office of the President which was laid upon the table of this August House less than three weeks ago (pp. 24, 40, 50, 68) This is the situation in the highest office of our country, but let me assure you that this is the situation in a vast number of OMA's, and this is shocking and totally unacceptable.

Honorable Speaker, Honorable Members. All is not well in Namibia, our beloved country and the Honorable Minister has rightly listed some of the challenges facing our country and with which our government seems to be grappling ever since independence without any concrete proof of improvement. I would like to quote some parts of these mentioned challenges:

“a jobless growth trajectory, with a lopsided distribution of income and resource ownership.

Substantial skills deficit and a narrow economic base

Low Human Development Index, which calls for rapid progress in the areas of education and health, and

Moral decay...”

I could not agree more with the few challenges that were mentioned by the Minister and although there are many more to mention I will focus my attention on those words by the Minister. There are two observations I would like to make about the Minister's sobering words.

The first is that we seem to be simply not capable to bring about any meaningful change in the situation that we find ourselves in. Let me quote the Minister again when she said, and I quote “We must do things differently”. Why should we be doing things differently, I ask myself? And the answer to this is quite simple: We should do things differently in order to achieve different results. (This, by the way were my exact words when I delivered my maiden speech in this August House approximately three years ago). Nothing is more evident of our need to do things differently than the failures in our health and education systems. Hardly a week goes by without proof of the glaring inefficiencies in these two sectors making headlines in our media. Yet, year after year billions are pumped into these two ministries. Is throwing money, and in these cases billions of dollars of money, at a problem going to solve the problem? Are we doing things differently when we are just allocating more and more of our precious financial resources to these ministries without looking at the underlying problems that cause such massive failures? I am afraid not. I am also afraid that without the political will from the countries’ highest office and a pronouncement by the President that “enough is enough”, we will unfortunately not see different results.

The second observation about the Ministers’ words is that the challenges facing us are mostly of a social nature. Much has been said about the social policies of our country during the budget debate and the fact that we are a country based on socialist principles. In this regard I would like to tell this honorable house a little story:

I am telling you this story for various reasons:

Firstly I would like to make absolutely clear that I am not against some of the ideals of socialism. I am however against political socialism that is expressed by members of our society that do not subscribe to the idea but want to use it as a political tool or want to be politically correct. Socialism does not mean that the government is the only employer of a country. Socialism does not mean that there is no need for a very strong, dynamic and free private sector. No, Socialism has other aims and must not be measured by how much control the government has over the private business sector. In a truly socialist country there is no need for private schools because government is able to supply in the needs for education of all citizens, free of charge, at the highest level of quality. True socialism means that there is no need for private hospitals because government is able to supply in the needs for medical services of all citizens, free of charge, at the highest level of quality. True socialism means that there is no need for private medical aid funds, private pension funds, study policies, and the list goes on. The fact that we have a need for private schools, private hospitals, private medical aid, private pension funds and study policies in Namibia is a clear sign that our socialist ideals remain a pipe dream, that pure socialism is unattainable and that we need to have partner, a strong private sector that employs people, lifts their standard of living and gives workers the ability to ensure that they are in a position to be in control of their own needs and wants. Pure socialism does not work, will always lead to a situation as illustrated in my story and will leave everybody worse off.

Honorable Speaker, Honorable Members. We need to constantly remind ourselves that in Namibia we have adopted the principles of a mixed economy and that is something that should be evident in our laws, policies and also in our National Budget. Vision 2030 and its goal

to become an industrialized nation demands from us a total rethink of how we spend our financial resources. Take the pitiful amount of N\$ 1 billion that is allocated to the Ministry of Trade and Industry. Are we demonstrating with this our resolve to become an industrialized nation? On the other hand we are expected to accept that our nation needs and will benefit from exorbitant and self-grandiose projects like a new Parliament Building, N\$ 700 million, a new office for the Prime Minister, 600 million, a new office for the current Head of State after his term ends, 100 million. And the list goes on. How do these projects, totaling several billion N\$ contribute to industrialization, how do these projects contribute to job creation when the tenders for the construction there-of will in all likelihood go to Chinese or North Korean construction companies. Consider the huge amounts that government wants to spend on new military hardware. Besides the fact that this raises some intriguing questions about our military intentions, how long will it take for this equipment to become obsolete, and how does the acquisition there-of support industrialization and job creation?

Honorable Speaker, I am afraid that we have, with this budget as with previous ones shown that our priorities are upside-down. All the billions that we intend to spend as mentioned will mean that we continue to import labor, export money and will not achieve industrialization and job creation. The current wave of expansionary budgets is not sustainable. When the expansion stops, we will not have laid a foundation of economic growth, sustainable job opportunities and an industry that is self-sustaining. We will have many white elephants in our country and we will still have, as the Minister said, a narrow economic base.

Honorable Speaker. Before I conclude, I would like to spend some time on the subject that is at the core of not only this current budget but has been at the centre of many heated debates of previous budgets. The issue of joblessness and our drive of creating sustainable jobs must be at the forefront of everything we do. The current unemployment rate is not accurately known, but best estimates put this figure at approximately 28 %. The jobless rate amongst our **youth**, however is still estimated to be above 50%. Yes, Honorable Members half of our youth still remains without a job, the very people we spend billions on for education are not able to find work to fend for themselves. Our future leaders, through a current lack of opportunities, will not be able to make meaningful contributions towards our nation if we do not now, immediately, give this issue our urgent attention.

Joblessness amongst the youth is not only a Namibian phenomenon, but has been observed all over the world. As the Africa representative on the Forum of Young Parliamentarians of the Inter-Parliamentary Union, I had the opportunity to participate in panel discussions on “Creating opportunities for youth in today’s global economy” in Quebec, Canada. The consensus is that parliaments across the globe need to take urgent, concrete action to address the plight of the unemployed youth.

Terms like gender-based or gender sensitive budgeting are not new in Namibia. I want to make a call in this honorable house that the term youth sensitive budgeting be introduced. That we find ways and means to urgently address this issue and introduce policies and laws in this house that will ensure that our youth have a better future and new opportunities. Some of the interventions might include a youth wage subsidy, tax concessions and other special employment initiatives. I will

not go into more detail at this stage, as I intend to introduce a motion in this regard in this House after the budget debate. But let us start talking about youth job creation, youth sensitive budgeting and let us give our youth a new hope and a new future.

For God and my country, I thank you.