

**CONTRIBUTION TO THE DEBATE ON THE
APPROPRIATION BILL [B 7 OF 2017]
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DEPUTY MINISTER OF INTERNATIONAL RELATIONS AND COOPERATION**

**National Assembly, Windhoek
16 March 2017**

Honourable Speaker
Honourable Members

At the outset, I would like to commend the Honourable Minister of Finance and his team, as well as the Honourable Minister of Planning and his team, for crafting the Budget for the financial year 2017/18 and the Medium Term Expenditure Framework (MTEF) for the period 2017/18 to 2019/20.

Honourable Schlettwein remain focused, as evidenced by his Budget Speech that the two main objectives of the budget are (i) to consolidate fiscal policy through aligning expenditure closer to revenue; and (ii) stimulate economic growth and support service delivery through aligning expenditure to national priorities.

I applaud the Minister's firm stance on reducing public expenditure, thereby preventing a higher debt-to-GDP ratio. Efforts to reduce the debt-to-GDP ratio from 6.3 percent in the 2016/17 financial year to 3.6 percent in the 2017/18 financial year are in order. Otherwise, had we maintained a high debts economy, we would not be able to invest in public infrastructure, something that we need for economic growth. It is common knowledge in economics that if public deficit is not controlled, it will impact negatively on a country's economy in a long run. It is, therefore, advisable to reduce deficit to minimise risks of inflation and crowding out, where increased interest rates lead to a reduction in private investment spending such that it diminishes the initial increase of total investment spending. The reduction of the deficit further illustrates that the Minister is committed to guard against inter-temporal burden.

Under the circumstances, the Honourable Minister has lived up to the task, striking a balance between reducing the debt burden without deterring growth and undermine the GDP portion of the equation. For example, save for sin taxes, he did not increase taxes in order to pay for budget deficit. This is appropriate, for in the *International Monetary Fund (IMF)'s Staff Discussion Note, 15/10*¹ Jonathan Ostry, Atish Ghosh and Raphael Espinoza advise against paying public debt with raising taxes because such distortion of economy, to deliberately play down the debt, in reality add up to the debt problem.

Public debt is reduced by productive government spending. Accordingly, I support the allocation of N\$ 9.09 billion to economic and infrastructure development projects in the 2017/18 budget, which totals N\$ 28.01 billion during the MTEF period. After all, when a government incurs public deficit in its budget and that is used to pay for capital expenditure, the returns on these projects will offset interest rates on the debts. This is unlike when debts are incurred to service sectors that do not yield returns. This proposition is put forth by scholars of Economics as an academic discipline, like Emil Blecher and others,² when they discuss fiscal policy measures, highlighting sound macro-economic objectives thereof, in their publication titled: *Economics*.

¹ Ostry J., Ghosh A., and Espinoza R., 2015, When should public debt be reduced?, in *IMF Staff Discussion Note, 15/10*, Washington DC: IMF. See p 5.

² Blecher E., et al., 2016, *Economics* (2nd ed., 11th imp.), Cape Town: Oxford University Press. See pp 411 – 412.

The Honourable Minister of Works and Transport informed us in this august House two days ago, that government tenders for the amount not exceeding N\$ 20 million are reserved for small and medium enterprises (SMEs), while those exceeding N\$ 20 million but not exceeding N\$ 60 million are reserved for Namibian entrepreneurs in general. In this respect, I would like to state that as we expend public funds on infrastructure development, without compromising on the delivery of quality services we should give due consideration to youth entrepreneurs, bearing in mind that they face unequal competitions in the industry, given their limitations in business expertise and management skills. The youth are the backbone of our economy, given their vigour and enthusiasm to deliver.

Honourable Speaker

Since last month, heaven became generous in terms of water supply, allaying our fears of water scarcity and drought. But in some areas, rain has been excessive, with floods causing damages to crops and properties. Further, we witnessed unwelcomed arrivals of army worms in some regions and these will impact negatively on our harvests. I note that there is an allocation of N\$ 214.16 million in the 2017/18 budget provision for agricultural development, featuring the programme of Development of Plant and Animal Health Inspection System. It is my humble advice that in addition to identifying invasive alien plant species and diseased plants as stated in the MTEF document, other invasive species that are catastrophic to plants, such as armyworms should also be covered under this programme.

Empirical evidence from my research on agricultural imports and exports reveal that we have made little progress in the imports-to-exports ratio, from exports valued at N\$ 394.26 million and imports valued at N\$ 940.8 million in 2011, to exports valued at N\$ 720.59 million and imports valued at N\$ 1.7 billion by 2015, signifying a mere increment from 41 percent in 2011 to 42 percent in 2015.³ The imbalances are due to the fact that most of our agricultural imports are primary commodities. Accordingly, we should plan the development of agronomic industries. The development of the agricultural technologies is a necessary scheme for economic growth. Writing about "The growing economy" in the United Nations Environmental Programme (UNEP) magazine titled *The Planet*,⁴ Zimbabwean-born academic, Professor Mandivamba Rukuni, advocates capital investment in the agricultural sector in a form of new technology resulting from public private partnership. These should be accompanied by human capital with managerial and technical skills. There is no doubt that such a scheme will result in increased agricultural exports as changes in agricultural production methods do increase production and stimulate growth in that sector. This will further bring us closer to our dream of attaining food self-sufficiency.

My call for the development of agronomic industries is in accordance with (i) the industrial policy that we adopted in this chamber two year ago – Growth at Home, (ii) the National Development Plan (NDP 4) and (iii) the Harambee Prosperity Plan. Other developing countries take industrialisation serious. For example, Michael Torado and Stephen Smith state in their publication titled: *Economic Development*, that developing countries of Asia adopted a shift in the composition of their exports,

³ See statistic information on imports and exports on agricultural products for the latest five years (covering a period from 2011 to 2015), available from the Namibia Statistics Agency.

⁴ See Rukuni M., 2006, "The growing economy", in *The Planet*, Special Ed., pp 12 – 13, at p 13.

with the majority of their goods coming from the manufacturing industries. This is made possible with necessary interventions by their respective governments.⁵

Honourable Speaker

Honourable Members

Since joining this august house as a backbencher by then, yours truly dedicates the last part of his intervention on the budget debate to his favourite field – international relations. This year is no exception.

Starting in our region of the Southern Africa Development Community (SADC), the issue of peace and security in the Democratic Republic of Congo remains of a concern to me, given the emergence of violent armed groups in the central parts of the country, like Kasangai and Bakongo that were previously calm areas. Not to mention rising levels of conflict in the eastern part of the country. Similarly, recent developments in Lesotho show that stability has not found its feet on the ground in that country. Endless conflicts in the region are taxing in terms of both time and resources. Governments divert attention from other equally important issues of economic development, to address security and instability. Not to mention about the effect of conflicts on the economies of the countries concerned, with a spill over effect being felt among neighbouring states.

As a member of SADC, the situation in the region will require us to put in some resources in the promotion of peace and security in the region, a foreign policy obligation that the Namibian Constitution places upon the Government. Accordingly, I support the allocation N\$ 36.4 million in the 2017/18 budget and a total of N\$ 151.57 million during the MTEF period, to programme 02 (multilateral relations and co-operation) under vote 07 (Ministry of International Relations and Cooperation), which is aimed, among others, at fostering international peace and security in the region.

Honourable Speaker

Over 70 years after the establishment of the United Nations, the issue of the right to self-determination is still on its agenda. As the dynamics of international relations evolve, paradigm shifts are observed among foreign policies of different countries in the world. Only two months ago a number of erstwhile friends of the Sahrawi Arab Democratic Republic changed their allegiance as illustrated by their overwhelming support for the admission of Morocco into the African Union (AU). In instances like this, at play is what scholars of International Relations as an academic discipline call cheque book diplomacy. Yours truly expounded sufficiently on the issue of cheque book or deep-pocket diplomacy, in chapters one and five of his doctoral thesis.⁶ It does not, therefore, warrant repetition at this moment. Suffice to say, cheque book diplomacy compromises foreign policy principles and defeats noble objectives of foreign policies. Normative foreign policy drives are sacrificed at the altar of deep-pocket diplomacy. The shenanigans leading to the admission of Morocco to the African Union should serve as a wake-up call for us to be vigilant. I would like to

⁵ Torado M., and Smith S., 2015, *Economic Development*, Harlow: Pearson Education Limited. See pp 611, 635.

⁶ Mushelenga P., 2015, *The economic diplomacy of a small state: the case of Namibia*, a PhD Thesis submitted at the University of south Africa, see pp 7 – 214.

reiterate what I stated at the Heads of Mission Conference last year, during a discussion on our foreign policy, that our support to the cause of Western Sahara is a matter of constitutional principles. We scribed in our supreme law of the land that we uphold the values of the right to self-determination. As a parliamentarian I have taken an oath to protect and defend the constitution. Thus, both as a matter of principle and conviction and obligation to law, I will continue to condemn in no uncertain terms the continued occupation of any single inch of the territory of the Saharawi Arab Democratic Republic by the Kingdom of Morocco.

Moving further afield to the Middle East, a peaceful solution to the question of Palestine remains remote, for the wrong reasons. To call a spade a spade, Israel continuously violate international law with impunity, as far as the question of Palestine is concerned. Alice Lynd and Staughton Lynd⁷ list in their discourse titled *International Human Rights Law: Violations by Israel and the problem of enforcement*, numerous acts of violations of international human rights law including, but not limited to: Torture and other cruel, inhuman or degrading treatment or punishment; Arbitrary arrest or detention; and Collective punishment. Similarly, in the publication titled *Corporate Complicity in Violations of International Law in Palestine*, Wassim Ghantous and Jessica Binzoni⁸ list violations of international law by Israel that include, among others, the desecration of article 49 (6) of the Fourth Geneva Convention prohibiting an occupying power from transferring citizens from its own territory to the occupied territory. Strengthening my submission further is the fact that the International Court of Justice (ICJ) avers in the *Advisory Opinion on the Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*, that Israel has violated international law.⁹ Equally guilty are those that supply military equipment to be used against the killing of innocent Palestinians. In fact, already in 2011, the Palestinian peace-loving society pleaded that:

A comprehensive military embargo on Israel is long overdue. It forms a crucial step towards ending Israel's unlawful and criminal use of force against the Palestinian people and other peoples and states in the region, and it constitutes an effective, non-violent measure to pressure Israel to comply with its obligations under international law.

This call has fallen on deaf ears, as concerned entities and states continue to manoeuvre compliance with international law, jumping around in their self-styled defiance and ill-conceived attitude of self-importance and accountability to none.

In the midst of contemporary international relations, one ponders about the way forward, in the wake of further signs of a desire to reverse the pattern of approach to the question of Palestine, somewhere somehow, by someone elsewhere in the driving seat of international relations power. We are aware from history, of instances where progresses made in international relations towards peaceful solutions to long standing questions on global agenda are turned anti-clockwise, causing hope to slope. Many of the Honourable Members from the side of our benches would recall that it has been the case with our own independence cause, following the 1981

⁷ Lynd A. and Lynd S., 2014, *International Human Rights Law: Violations by Israel and the problem of enforcement*, Palestine-Israel Working Group of Historians Against War.

⁸ Ghantous W. and Binzoni J., 2014, *Corporate Complicity in Violations of International Law in Palestine*, Wassim Bethlehem: Badil Resource Centre for Palestinian Residency and Refugee rights. See page 15.

⁹ See *ICJ Report*, 2004, 136, at p 184, para 121 – 122.

United States presidential elections. For a principle-based foreign policy that we have maintained on the question of Palestine over the years, history will absolve us, for scholars of international law will record that we have done the right thing – advocating respect for international law.

Honourable Speaker

The plight of the Cuban people shall forever remain a matter of interest to me. As long as the blockade imposed on them by the US is not finally removed, efforts to normalise relations between the two countries remain just hanging there. I salute the people of Cuba for the fortitude that they have maintained all those years, walking tall in the jungle of camelthorns. No amount of infuriating power politics has broken their relentlessness. I am inspired by their courage and determination. My unwavering support to their cause is boundless! Read my lips and hear me saying this – I will continue to condemn any attempt to undo the progress of the Cuban revolution as I have done before in this august house, and elsewhere, without fear or favour.

The mentioning of Cuba brings me close to tears, though, as I reminisces about Commandant Fidel Casto Ruz, a giant of a man, both in terms of physical stature and revolutionary eminence, who departed to the world beyond tangible human access and comprehension, last year. Commandant Fidel Castro Ruz dwarfed oversized giants from the opposite end of the spectrum. Standing his grounds, he outsmarted them, ducking arrows from their politico-military and diplomatic offences, while striking back, as sharp shooter, from his coordinated angle of attack. Oh, yes! He took international platforms by the storm, hitting the nail on the head and levelling his opponents to the ground.

Though his departure has created emptiness in the Cuban revolutionary diagram, his legacy will continue to galvanise and sustain the progressive cause of his people, because heroes never die! Southern Africa and Namibia in particular shall for ever remain indebted and truly grateful to this illustrious son of the soil, for the selfless support that he and his people have rendered to the cause of our freedom. What a comrade! What a revolutionary! At this juncture I cannot help, but say *Viva Fidel! Vivan la Revolucion y el pueblo de Cuba! Hasta la victoria sempre! Venceremos!*

With these words I, Peya Mushelenga, register my support to the appropriation Bill and now put my case to rest!

I thank you!