

**Speaking Notes on the 2012/13 Budget by Ignatius N. Shixwameni during the 2<sup>nd</sup> reading debate of the Appropriation Bill.**

<sup>Deputy</sup>  
Honourable speaker, Honourable members,

First of all, let me take this opportunity to thank the Minister of Finance Hon. Kuugongelwa- Amadhila and her team for their efforts and commitment in preparing yet another budget. <sup>of us</sup> All know it takes a lot of effort and hard work to produce a national budget! <sup>and produce it on time.</sup> Congratulations for that!

Having said that, let me focus on my budget contribution for this year. My contribution Hon speaker will only focus on a few topical issues of the budget, in total being seven (7) issues inter alia:

- The pro poor and poverty reduction budget theme
- The TIPEEG programme
- SMEs and Youth Empowerment
- Agriculture and the Green scheme programme
- Land reform
- Sport and culture
- Tax reform

**Pro Poor and Poverty reduction**

This is the 7<sup>th</sup> consecutive budget of the Pohamba administration. Seven budgets, all titled the same in different ways "pro-poor, job creation, accelerated economic growth blah blah blah!!!!

When we talk about poverty,<sup>\*</sup> this is something that is very serious in this country. We are dealing here with practical realities on the ground, with real bread and butter issues of putting food on the table of hundreds and thousands of families. We have people eating in the dustbin and children going to bed on empty stomachs, sleeping under trees, bridges (like elder women I read in the paper in Keetmanshoop, 3 week ago and many more), people living in shacks under unhygienic situation like in many of our towns, with no water and toilets (Havana in Katutura, Uupopo in Ondangwa, Kehemu in Rundu and many more) . If this is the situation,<sup>\*</sup> the very sad Namibian reality which is the reality on the ground then this budget is far from being a pro poor budget,<sup>\*</sup> it is rather a pro rich budget. <sup>years in and years out with all pro-poor budget</sup> The reality on the ground <sup>radically</sup> is different. No fundamental significant change has happened on the ground for the poorest of the poor in this country. The poor remain and even become poorer, whilst the elite and politically well-connected gets filthy rich and becomes even more richer graduating from millionaires to billionaires at the expense of the poor, the working class and the great majority of our nation. We need to get a much

better budget yet which is truly pro poor and for the working class!

Reducing poverty means, increased households income for the rural poor, it means reducing income inequalities between men and women, blacks and whites and indeed the inequalities between the well-off and the poor regions in this country. It means creating sustainable and secure jobs that last for more than 10 to 15 years. <sup>and not three to six months</sup> It indeed means moving farmers from ~~subsistence~~ <sup>Jobs.</sup> farming to commercial farming.

One can judge from this budget, how many Namibians will have more bread on the plate by March 2013? I am sure it will be a very insignificant number which will even aggravate our nation and country's income inequality.

The Theme have become a broken record (song) which can better be described as serving opium (poison) to the masses, whilst the Minister serves the best Cognac and Champagne to the well-off, the rich!

### **On TIPEEG**

Hon. Dep. Speaker,

It is indeed high time that whilst we are right at the beginning stages of its implementation, we must have a re-look and

serious evaluation of the whole programme. We need to look at both its viability as a project aimed at fighting unemployment and poverty. The question is: Can it really achieve its goals as part of the government bureaucracy and in its current format? The answer is <sup>a big</sup> NO!

TIPEEG is a special project and as such it need to be treated in a special way if it is to succeed at all and if we are serious and not taking TIPEEG as a project for enriching the rich. But TIPEEG can succeed, if it is given the necessary administrative power and freed from the ordinary government bureaucracy which is sluggish and lethargic.

Our proposal is that TIPEEG must have a dedicated **Central Coordinating Unit** (a secretariat of its own) away from the National Planning Commission, as is the case with the Millenium Challenge Account (MCA), with its own board. The role of TIPEEG Unit should be to fast-track administration of tenders, direct and coordinate the programme and projects and account on it to the NPC.

Recruit to the team, the best talent which Namibia can offer in Project Management, Coordination and Implementation - not political cronies - and you will see the results in a rather shorter time. The unit will be given **annual targets, priority and measures and must report to the Minister of Finance and the NPC on a quarterly basis.**

Secondly, allocate TIPEEG resources on a regional base to the 13 regions (Regional Councils, towns and settlements) **Development must happen there in the rural towns, and must reach villages and settlements! That's only when we can impact our rural communities and see them grow and prosper instead of only empowering the towns' petty and compradore bourgeoisie which parasites on state tenders.**

Each region must get a fair share of TIPEEG funds and give them the power through the appropriate channels to have control over the funds which they can disburse to contractors within their own regions to avoid outsiders from grabbing resources allocated to the development of a specific region. This will even help eliminate bureaucracy and red tape.

Special fund from TIPEEG must be made available to the youth projects every year per region, let's say 20%. Youth will be encouraged to submit their project proposal and get funding immediately.

*Hon. D-Speakers,*

### **On Agriculture and the Green Scheme**

We appreciate government's renewed commitment to the implementation of agricultural projects especially the Green Scheme projects around the country. Keep it up! However, I have a problem with the model of ownership of the Scheme whereby the local people give up their land for free and Green Scheme farms are owned by a Big Company whilst the

locals are mere workers and or owners of small pieces of gardens<sup>(plots)</sup> on the projects and receive peanuts. The scheme needs reforming and or overhauling in terms of ownership in order to provide for at least up to not more than 50% shareholding in the companies by the surrounding local peasant communities who have given up big swaths of their land in order to accommodate the new green scheme projects. Alternatively each green scheme project must have a dedicated community trust from which the local surrounding communities can benefit directly now and in the future. This will indeed be a great move in the direction of empowering economically the local communities in a sustainable manner since they will be sharing in wealth creation and the profits and ensure at the same time fair and just wealth redistribution.

### **On land reform**

Land is a source of wealth and livelihood for many Namibians, the focus of government is more on resettlement in so called commercial than on land management in the communal areas. Anyway for me, land is land and this land discrimination must come to an end. Government must encourage development and investment in communal land, in this way people can remain in their villages thus reducing urban migration. All Communal farmers must be able to get loans from Commercial banks just like Commercial farmers.

Communal farmers must not be forced to give up their communal land if they want to farm commercially. Who says you cannot go to your ancestral village and farm there whilst you are a commercial farmer? But illegal fencing of land in the villages by the rich and well off must be stopped as a matter of urgency by both the traditional leaders and government.

### **On SMEs and Youth Empowerment**

Many Namibian youth have very good business ideas, but are unable to get financial support, unless if they are politically well connected. This situation is indeed frustrating to many young men and women. Indeed TIPEEG Funds could make a very great difference if the funds were channelled to help support viable and long-term sustainable youth SMEs and other projects. The commercial banks have failed our nation big time and now even the Development Bank with its bureaucracy is behaving like the old established commercial banks.

I hope the yet-to-be-launched SME Bank will behave radically different, by eliminating red tape and bureaucracy in the allocation of funds and will also do away with the monstrous and infamous demands for collateral and make the process for loan applications shorter and smoother! I must say that indeed it is the SMEs that constitutes the future guarantee

for our country's solid, sustainable socio-economic development and will make the distinction between poverty and unemployment.

### **On Sports, Arts and Culture Development**

We need more and more investment in sports, arts and culture if we are serious about fighting unemployment and poverty, particularly amongst the youth. Sports must be recognised not only as a hobby but as a business where jobs can be created for Namibians. Please take politics out of sports and sport must be managed on business principles. We ask for a closer collaboration between government and the various sports codes, particularly soccer, rugby, boxing, tennis and other mass-based sports codes where individuals can make for themselves and their nations "mega-bucks". It also will help to instil discipline and keep young people off the streets and away from all kinds of anti-social behaviour, making them responsible and law-abiding citizens of our nation! Look at Cuba, look at Brazil, look at Nigeria, Ghana, Cameroon and many other nations! Let there be more musicians and arts workers in our land of the brave!

### **Tax regime and tax reform**

I have taken note of the good proposals made in the budget. However, I must still say that our tax regime indeed favours

the well-off, the rich! We would like to see a situation where the rich are taxed more by creating two or three more tax brackets above the amount of N\$ 750 000.00 whilst upping the non-taxable bracket to a threshold of at least lower than N\$ 50 000.00 per annum, whilst nailing tax-avoiding big companies and their advising auditors.

Seriously, sin taxes need to be more higher. Namibia is one country where it is very cheap to buy any type of alcohol and cigarette. To curb abuse of alcohol, we propose higher increments of the sin taxes. Or are we forbidden by SACU rules not to do that?

In order for us to be able to collect all taxes which are due to the state, corporate and individual income tax and to ensure that everything is accounted for properly to the treasury, we need to seriously think about the establishment of an Independent Revenue Collection Authority which would guarantee that the above happens.

### **On Corruption**

The fight against corruption has become nothing else but a joke over the past five years. We need to do more in fighting corruption. It is sickening to always day in and day out open all the daily newspapers and read about how the state coffers are being plundered left and right by the very same

officials to whom the nation has entrusted the custody of its resources!

I urge the Anti-Corruption Commission (ACC) and the President to get more tougher on white collar crime and corruption if we are to stem the ever rising tide of corruption in our society. Give more powers to the ACC. Reform and review the ACC act to give it more teeth to bite!! Let us all be serious about corruption and white collar crime!

With these few remarks, I rest my case and thank you!