

ADDRESS BY HON HEIKO LUCKS

ON THE APPROPRIATION BILL,

30th 29 MARCH 2011

Honorable Speaker, Honorable Members of this esteemed house. I rise today not to oppose the 2011/2012 national budget, but to constructively criticize and point out areas of concern in the hope that this will ^{contribute} ~~lead~~ to a debate in this house that is purely aimed at addressing the challenges of this Nation and ensure a better tomorrow for all its people.

Let me first of all complement the Minister of Finance and her entire team on one thing: I believe she was extremely brave to table a budget that I can only describe as “drastic”.

While studying and dissecting both the Appropriation Bill and the budget speech of the Honorable Minister of Finance, my mind was filled with a lot of questions. To some of these questions the answer is self-evident, some I was able to answer myself and to those questions for which there is no apparent answer, it is my hope that this House will be able to find those answers.

One of the very first questions that came to mind when the Honorable Minister announced an expansionary budget with the focus on job creation was: Is this the first time that job creation is a priority for our Government? The answer in this case is self-evident. We all know that

this government has always made job creation a top priority. However, I ask myself, why then has the jobless rate over the past 21 years constantly increased to reach the crisis proportions that we have today? I will not attempt to answer this question but will rather offer a few ideas towards a possible solution.

It is evident that Government alone is not able to address the jobless situation. The minister, as well as other members of this house, has rightly said that the private sector holds the key to job creation and economic growth in this country. Against this background, I find it worrying that the role of the private sector in the Namibian economy is diminishing. With the amount being injected into the economy over the MTEF, Government's share in the economy will grow to more than 50 % and the private sector will find it increasingly difficult to compete. I did not find much evidence of exactly how government intends to support and grow the private sector, in fact from previous contributions of members of this house I got the impression that a lot of animosity towards the private sector exists in government.

Vision 2030 states as one of its objectives that Namibia should become an industrialized nation. This will not be achieved without entrepreneurship and Namibia simply has too few entrepreneurs.

Honorable Speaker, Honorable Members. I know many SME owners and entrepreneurs in this country. None of them started a business in order to break labor laws, mistreat workers or transgress when it comes to paying taxes. All of them do not only want to earn a living, but are also glad to provide job opportunities to fellow Namibians. All of them are glad when their business grows and they have to employ more people and pay more tax. All of them however agree that it is

difficult to do business in Namibia and Government should do more to support them. Interventions that are required include lower corporate tax, which will also have the effect of increasing foreign direct investment, laws that not only protect employees but also the ones who risk all their capital, the business owners and laws that make it faster and easier to register a business. I recently heard that a country like Macedonia can guarantee that it will not take more than 4 hours to register a business. We should try to emulate such examples. If we could make Namibia a more attractive place to do business in, the money for development and job creation would come from business and the private sector and Government would not need to have a growing budget deficit year after year.

Honorable Speaker, Honorable Members. A lot has been said about the Minister's announcement that 104,000 direct and indirect jobs will be created. I would like to point out that the Honorable Minister in her speech said that 104,000 jobs will be **preserved** and created. The question is: exactly how many jobs will be preserved and how many jobs will be created. My suspicion is that not many new jobs will be created as I am not convinced that the vast amounts of money to be spent on infrastructure like roads, the railway network, tourism facilities, silos, cold storage facilities and houses will achieve the sustainable creation of jobs. A more direct intervention in the form of skills development, subsidies and loans is necessary to achieve real job creation and this not only in the agriculture sector, but across the entire Namibian economy. For too many desperately poor and unemployed Namibians a new road or railway will be meaningless unless they have the skills, abilities and funds to start earning a living. Let us help the poorest of the poor and empower them to become masters of their

own destiny. I am also worried about the fact that nothing is said about infrastructure that will directly impact our manufacturing capability which is needed to achieve the Vision 2030 of becoming an industrialized nation.

Honorable Speaker; There has been a lot of heated debate and controversy, also in this August House, about our jobless statistics. It is to me **extremely** worrying that a drastic and far-reaching budget, a budget that will so drastically increase government debt, like the one we are currently discussing is based on statistics that are 3 years old. The 52% jobless rate that is currently on every-one's mind is the figure of a survey conducted in 2008. What is the real jobless situation in the country at this precise moment? We can make an informed guess, but we can simply not be certain. What is equally worrying is that it will be extremely difficult to measure the effectiveness of the announced Targeted Intervention Programme for Employment and Economic Growth (or TIPEEG). Does this mean that we are aiming into the dark in the hope of hitting a target? The recently introduced Statistics Bill is a big step in the right direction, but I believe this requires much more urgent attention.

Namibia, like other countries has just emerged from one of the biggest economic downturns in recent history and although we are on the path of recovery, the people of Namibia still struggle with the effects of this global economic crisis today. I was disappointed to notice that no immediate relieve in the form of income tax reductions was offered. The people of Namibia are suffering and tax reductions would not only put back some of their hard-earned money in their pockets, it would also immediately stimulate spending and thus the economy.

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Honorable Speaker, Honorable Members. One of the most overlooked reactions to times of hardship like the worldwide economic meltdown, is the reaction of those who are not, or only slightly affected. The focus is always on the most vulnerable. It is a well researched fact that those who are not affected have a tendency to be more caring towards those who suffer the most. I believe the same is true for Namibia. I also believe that we need to amend laws in order to enable churches and other faith-based organizations to receive tax-deductible donations that will help alleviate the extreme poverty in our Nation. Churches and faith-based organizations in Namibia are willing and able to bring immediate relief to thousands of Namibians in need.

In terms of budget allocations we as legislators of this nation must be able to honestly declare that all decisions are for the best benefit of the nation and not to buy loyalty or silence protest of just a small group or groups. Our integrity in matters of finance will in the long run determine the success of this Nation as well as the legacy we leave behind. To ensure that an impression is not created that budget allocations serve limited interests, I would like to add my voice to calls of a broader inclusion of business, political, social and religious interest groups in the budgeting process. This could be achieved through the establishment of a parliamentary standing committee that deals exclusively with the budget.

I will not go into much detail of the allocations to the different votes but rather highlight a few figures:

1. I am disappointed about the small amount being allocated to the Ministry of Trade and Industry. This sector is vital for economic

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growth and forms the backbone of Namibia's vision to become and industrialized nation.

2. The amount allocated to the Police is more than N\$ 1 Billion less than that allocated for Defense. Crime, especially against women and children, as well as corruption, are major challenges for this nation and I would have hoped that more resources are made available to improve safety and security.
3. Finally I notice the amount being made available for Veterans Affairs exceeds N\$ 1.2 Billion while Youth, National Service, Sport and Culture receives less than half of that amount or N\$ 509 Million. I believe the youth, the future of our nation should receive much more prominence in future budgets.

Honorable Speaker, Honorable Members. Before I conclude, I would like to comment on some of the contributions made in this house on the 2011/2012 budget. It grieves me tremendously to hear so much divisive language. The Honorable Deputy Minister Kaiyamo in his contribution rightly said that a Member of Parliament is a leader of ALL the people of Namibia. It puzzles me, when I hear members speaking of a SWAPO party government and not of a Namibian Government. I thus stand today to challenge every member of this house to publicly declare whether they are serving only their political party or the entire Namibian nation. We are all here, not only as elected leaders, but as servants of the people of Namibia with only one goal in mind: to make this country a better place to live in for all its inhabitants.

Allow me to conclude by quoting the Bible from Proverbs 11 verse 14. "Without wise leadership, a nation falls; there is safety in having many advisors." May God bless every leader in this house with the wisdom to lead our nation on a path to prosperity. I thank you.