



THE RALLY FOR DEMOCRACY AND PROGRESS (RDP)



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**STATEMENT BY HONORABLE KANDY NEHOVA,
MEMBER OF PARLIAMENT, ON THE 2011/2012
NATIONAL BUDGET, 30TH MARCH 2011,
WINDHOEK**

**Honorable Speaker,
Honorable Members of this August
House,**

**Before I address myself to the
budget, allow me to express my
deepest condolences and sympathy
to all the victims of the floods in the
north, north-eastern and north-
western parts of our Republic.**

Let me also express my fear that if the current rate of precipitation does not relent soon, we may experience a catastrophe of major proportions. I will say more on the floods in my intervention.

Honorable Speaker, Honorable Members,

The word ‘budget’ originates from the French word ‘bougette’ which means purse. It is a list of all planned expenses and revenues, that is, spending and saving. It is an important concept in macro—economics because it serves to illustrate the trade-offs between two or more goods.

In other words, a budget is an organizational plan stated in monetary terms. It forecasts the revenue and expenditure of the year. A budget is a statement or financial plan made by government every year outlining how it is going to obtain money it needs to spend on the country.

The government has to decide how to spend money on infrastructure like schools, hospitals, roads, railways, housing, etc. But the money needs to come from taxes and rates that the citizens pay.

Honorable Speaker, Honorable Members,
The Minister of Finance in presenting this budget underlined four fundamental principles or objectives which are (a) macro-economic stability, (b) economic growth, (c) job creation and (d) welfare improvement. In my contribution I will concentrate on the last two, namely the job creation and welfare improvement. The total appropriation amounts to 37.7 billion Namibian dollars. Some economic analysts call it an expansionary budget.

I do not agree with such conclusion because the money time value has certainly not been taken into account. What is more important, however, is fair distribution, transparency and accountability in the end.

Honorable Speaker, Honorable Members,

The Labor Survey undertaken by the Ministry of Labor and Social Welfare in 2008 reveals that unemployment in Namibia has reached a staggering figure of 51.2 %.

Today that figure might have gone up, taking into account the effects of the world economic crunch. If the survey is anything to go by, the hardest hit sections of our population are the youth and women. In my view this is the most serious challenge facing our nation. As we may all know, unemployment generates poverty. Poverty engenders hopelessness, destitution, ill-health and unhappiness. Ultimately, poverty engenders crime.

Honorable Speaker, Honorable Members,

The budget we are presented with today indicates the intention of the government to preserve and create 104,000 direct and indirect job opportunities. However, the budget does not show whether a research development programme has been conducted , detailing the various economic sectors in which new jobs will be created in regions hardest hit by poverty and destitution. I would like to know in clear, unambiguous terms how many new jobs will be created and how many existing jobs will be preserved?

Honorable Speaker,
While the government indicates that agriculture, tourism, transport and housing and sanitation are the potential sectors for employment creation, budgetary allocation to these sectors are not convincing that such big amounts of jobs can indeed be created. In my view, Honorable Speaker, permanent jobs can only be created in the manufacturing industries, service providers and large-scale industries. It seems that the government has not yet developed a national policy on industrial development for manufacturing of goods for national consumption and export.

The budgetary allocation to the Ministry of Trade and Industry lacks the necessary provisions for industrial development. For 2011/2012 budgetary allocation of a total of 558,057,000 million, of which 206,322,000 equivalent to 37 % is for trade promotion. Where is the portion for industrialization enough to create jobs? What products are we going to promote, yet we are failing to meet the EU beef quota of 13,000 tons a year and we have not *yet,* responded to AGOA opportunity in the United States of America. What else is there to promote besides fish, grapes and beef?

Honorable Speaker,
Agriculture is regarded as potential number one sector for job creation, yet the budgetary allocation and distribution of this ministry does not make provision for massive irrigation schemes, subsidies to both commercial and communal farmers where the potential for job creation and food production is the greatest. The 61 million allocated to the Agricultural Bank is nothing but peanuts. The construction of silos and other food storage facilities will only create temporary jobs.

Honorable Speaker, Honorable Members,

I fail to understand the logic behind the construction of silos and other food storage facilities before the improvement of food production. Since independence, the government has initiated, revived or expanded a number of major agricultural projects such as, the Naute—date production, Ausenkher grape production on the Orange river, Ndonga Linena in Kavango, Kalimbeza rise project in Caprivi, Etunda project in Omusati, Uvungu-vungu dairy farm in Kavango region, Divundu project in Kavango, Shadikongoro irrigation scheme,

Sitemo project, Musese, Omega resettlement project, Omahenene seed production, Development Brigade Corporation projects, Wheat producing project at Hardap and Naute dams, Berg Aukas Youth project, etc, with a view to increase food production and employment creation. It appears that marketing security for the produce from these projects has not been catered for, or the local supermarkets have not been obliged to buy from these national suppliers, or the projects have failed decimally either because they were privatized prematurely or handed over to comrades for the sake of comrades.

Till today, 90 % of the produce sold by local supermarkets is imported from South Africa and this has negative implications on our balance of payments.

Honorable Speaker, Honorable Members,

It is indeed gratifying to note that over the past 4 years, Namibia as a dry country has been receiving excellent rainfall throughout the country. The heavy precipitation both in Namibia and Angola is causing severe floods, particularly in the north, north-east and north-western parts of the country.

Presently, the entire Cuvelai Basin is flooded with water streaming from Central Angola into the Etosha Pan and other low-lying areas.

Honorable Speaker, Honorable Members,

In the process the floods are inflicting wide spread destruction of people's lives and livelihoods and infrastructure, some of which are both poorly located and shabbily built: homesteads and houses, shops, schools, churches, roads, bridges, vehicles, crops, granaries and domestic animals are perishing because of water.

Regrettably, the Swapo Party government has failed to devise a comprehensive plan of harvesting water into earth dams or redirecting the floods into natural water passages.

Honorable Speaker, Honorable Members,

This scarce resource is essential for the construction of massive irrigation schemes that are needed for food production, human and animal consumption, and employment creation.

Instead of constructing sufficient earth dams to harvest water, the government is dreaming of constructing desalination plants, projects that are extremely expensive to erect, manage and sustain. When considering the construction of earth dams, the government must determine under a comprehensive programme of water utilization detailing the locations, the number of dams, the capacity and the lifespan of such reservoirs or man-made freshwater lakes.

Honorable Speaker, Honorable Members,

The housing situation in the country both in urban and rural areas has become deplorable. The majority of our people around cities, towns and villages live in squatter sacks made mainly out of second-hand corrugated zinc sheets. Life under such squalid conditions is totally unbearable. After 21 years of independence, we no longer have an excuse for not providing decent housing to our citizens. In the budget under discussion, there is no master plan or comprehensive programme for housing provision in the country.

For how long will our people be condemned to live under such degrading, inhuman condition?

Honorable Speaker, Honorable Members,

The government has a responsibility for ensuring that the citizens are provided with proper and affordable housing. In this regard, I want to call upon the government to, as a matter of extreme urgency, formulate a National Master Plan for housing construction which will address the housing needs in the country.

A national housing construction programme should not be seen only as a way of creating jobs and related skills but also a programme of addressing the housing welfare needs of our people.

Honorable Speaker, Honorable Members,

The other way of addressing the welfare of our citizens is by deliberately increasing the old-age pension. As it is now, the old-age pension amounts to N\$500 per month, which falls far short of the basic requirements to meet, in particular, the food prices and other essentials for old people. Nominally, the amount of N\$500 is greater than what the senior citizens used to receive 15 to 20 years back, but when inflation is properly factored in; our pensioners are worse off than they were two decades ago.

**Finally, Honorable Speaker,
Honorable Members,
I repeat that I have no serious
problem with a so-called
expansionary budget. After all, some
of the funds will be borrowed from
local financial institutions and not
from IMF or the World Bank. I
have grave concern with the way
funds are distributed to the various
votes and I will raise my concerns
further when individual votes are
being discussed at committee stages.**

I THANK YOU.