

**CONTRIBUTION TO THE GENERAL DEBATE ON THE
APPROPRIATION BILL (BUDGET), 2018
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MINISTER OF URBAN AND RURAL DEVELOPMENT**

**National Assembly, Windhoek
27 March 2018**

Honourable Speaker
Honourable Members

The year seems to have started on a very bad note, with the departure to eternity of a Member of Parliament and two former Members of Parliament. Secondly, climate change appear to have taken its toll, with some areas recording minimum rainfall, while others are affected by floods.

Rain is very close to the hearts and minds of farmers, both commercial and communal. Therefore, investment in agriculture and subsequent farm growth is important to alleviate the plight of rural farmers. This is particularly true, when horticulture production is promoted in rural communities. Accordingly, I commend the increment of the size of the land under irrigation from 14 000 to 15 000 hectares, which saw horticultural production increasing during the past financial year. The green schemes that we have in Kavango East region can transform the lives of our rural communities. The same applies to existing and planes horticultural crop production in Omusati Region, whereby in addition to crop production, there will be value addition to realise various produces. Encouraging local agricultural production promotes domestic food supply, increased employment and addresses the rate of rural urban migration. There is an injection in the rural economy and increased service provision in rural communities. Financial lending schemes to finance these small scale agricultural manufacturing activities should be developed, to ensure growth in this industry, with the ultimate aim of developing agronomic industries on a large scale.

Wiggins *et al.* state in their publication titled *Agricultural development policy, a contemporary agenda*,¹ that Agricultural research, education and infrastructure development are recognised as the three key tools for public spending to ensure economic growth. Accordingly, I support the planned 40 research projects in the area of water and the construction of 13 earth dams and / or canal for the 2018/19 financial year. I further support the allocation of N\$ 233 972 000 in the 2018/19 financial year for acquisition of capital assets for agriculture and N\$ 328 000 000, for water.

Honourable Speaker

Rural development has gained prominence in today's world. Crammer, Jensen and Southgate Jr² state in their publication titled *Agricultural Economic and Agribusiness* that rural development focuses on the quality of life in the areas of poverty, population distribution and rural housing. Rural development is more needed among the youth, to alleviate their problems and challenges. These can be addressed by, among others, vocational training, as acquiring skills through this mode of education put the youth in a good stead to start their businesses. Vocational training is further emphasised in the Harambee Prosperity Plan, as a catalyst for economic growth and development. Accordingly, I commend the allocation of N\$ 136.8 million in the 2018/19 budget for vocational training, which is an increase of well over 200% from

¹ Wiggins *et al.*, 2015, *Agricultural development policy, a contemporary agenda*, London: Overseas Development Institute, p 22.

² Cramer G. L., Jensen C. W., and Southgate D.D., 2001, *Agricultural Economic and Agribusiness*, New York: John Willey and Sons, p 370.

the N\$48.1 from the previous financial year. This amount increased to over N\$ 500 million per year in the subsequent two years of the current MTEF period.

The mentioning of vocational training reminds me of an area very close to your heart, Honourable Speaker – Higher Education. History will never forget the eloquent and skilful manner in which you made your presentation before the Presidential Commission on Higher Education that was appointed after independence. I welcome a total allocation of about N\$ 8.3 billion to higher education programmes during the current MTEF period. A large part of this amount goes to public institutions of higher learning. These institutions are expected to carry out researches on economic development and growth.

I would like to seize this opportunity to commend Professor Lazarus Hangula, Vice Chancellor of the University of Namibia (UNAM), who is due to retire in a few months' time, for the able leadership that he provided over the past years, which saw the expansion of UNAM with the establishment of the Faculty of Engineering and Information Technology, the School of Medicine and the transformation of Education Colleges, integrating them in the UNAM Faculty of Education. This further resulted in the systematic capacity building on the basis of what became known in the UNAM circles as “re-engineering”, that today we have qualified academics at the satellite campuses. I call upon his successor, who will be appointed soon, to focus on the areas of innovation and research. Incentives for innovation and research should be institutionalised. Our academics must be motivated by way of appropriate rewards for the supervision of academic researches, as it happen at other institutions of higher learning in the neighbouring countries.

Honourable Speaker

Let me now address macro-economic aspects of the budget. I welcome the introduction of new tax brackets for the high income categories. I am mindful of the fact that anti-cyclical measures, generally include among others increased spending and cutting taxes during economic recess but, equally, the literature of economics state that public debts compels governments to adopt severe fiscal consolidation measures like, among others, increasing tax rates or introducing new taxes. Measures further include reducing public expenditure to realise economic growth.³ The fiscal measures introduced with the budget are meant to realise stabilisation, where the government balance its budget. In his publication titled *Macroeconomics*, renowned Professor of Economics at the Harvard University, Gregory Mankiw,⁴ stresses that for a strict balanced budget, it is required from the government to raise taxes or reduce spending during recession. Progressive tax by its nature ensures equity in contributing to national revenue.

In his contribution to the debate, Hon Nico Smit of the Popular Democratic Movement (PDM), formerly the Democratic Turnhalle Alliance (DTA), stated that the public wage bill is the major obstacle to economic growth. I would like to inform the

³ Bilan I., Ihnatov I., 2015, Public debt and economic growth: a two-sided story, 2015, *International Journal of Economic Science*, vol. 1v, No. 2, pp 24 – 39, at p 35.

⁴ Mankiw N. G., 2016, *Macroeconomics* (9th ed.), New York: Worth Publishers, p 573.

Honourable Member that the Office of the Prime Minister issued a directive in the previous year that there will be no filling of new positions. Government should be applauded for the savings that are made from this directive, which is still effective to date.

Honourable Speaker

Let me now move to the field of my academic expertise – international relations.

This year, Namibia will assume the Chair of SADC. This prestigious status comes at a time when the situation in our region continue to be worrisome, especially in the Democratic Republic of Congo and the Kingdom of Lesotho. With regard to the situation in the DRC, Namibia will be heavily involved, not only as Chair of SADC, but also with President Pohamba as SADC's special envoy for the DRC. The pre-occupation with managing peace and stability for that country and the region at large require resources. Accordingly, I support the allocation of N\$ 76 437 000, during the current financial year and N\$ 261 613 for the current MTEF period, for multilateral relations programmes.

The situation in Lesotho has its roots in the long-standing stand-off between the parties of Prime Ministers Tom Thabane and Pakalitha Mosisili. In the meantime, civilians continue to suffer and the country's focus on economic development is derailed. Like other SADC countries, Namibia has spent resources on Lesotho, in her endeavours to contribute to peace-building efforts in the mountainous kingdom. As Chair of SADC, Namibia has a task to find a lasting solution and chart the roadmap that safeguards against repetitions of dreadful events, a regular norm in that country over the past years. Peace and stability creates a conducive environment for economic development and growth, as human and financial resources will be dedicated to productive programmes. We should, therefore, continue to jealously guard against disruptive trends in our region and support the President in the execution of his duties as Chair of SADC. President Geingob is equal to the task before him and I have no doubt that he will tender the flowers in the regional garden to blossom into a beautiful scene that brings delight and hope to depressed onlookers.

While on SADC, let me state that I welcome the orderly and peaceful manner in which the changing of guards took place in Zimbabwe, which saw President Emmerson Mnangagwa at the helms of the Zimbabwean state, in accordance with the laws of that country. At this juncture, I find it irresistible to pay tribute to the fallen heroes of the Zimbabwean struggle for freedom and independence – among them Herbert Chitepo and Josiah Tongogara. May their legacy continue to prevail in the land of *Monomotapa* as it strives to rebuild its economy that have been plagued by the sanctions imposed by the countries of the West.

President Mnangagwa belongs to the club of freedom fighters in southern Africa and has served his government in various capacities over the past years. He will, therefore add value to SADC programmes of regional integration and conflict resolution and make meaningful contribution to peace-making efforts on the continent. Like Namibia, Zimbabwe is among the countries that have consistently

and persistently supported the cause of the people of the Sahrawi Arab Democratic Republic. All progressive statesmen and women should continue to call for the implementation of the UN resolution that calls for a referendum in Western Sahara without further delay.

Honourable Speaker,

Last year, the US President stated that he recognises Jerusalem the capital city of the state of Israel, drawing criticism from various quarters of the world. Subsequently, the UN General Assembly adopted the resolution "Status of Jerusalem", in which it underscored the right of the Palestinian people to sovereignty and self-determination, declaring that the wall and settlements being constructed by Israel in the Occupied Palestinian Territory, including in and around East Jerusalem, are contrary to international law. All states are expected, without exception, to uphold international law whose flagrant violation by known entities have unfortunately reached a level of obsession.

I recall with distaste when the Israeli authority refused the South African Minister of Higher Education, Honourable Blade Nzimande a visa to visit the State of Palestine, in April 2015. The Minister was to follow up on an education agreement between South Africa and Palestine signed during the visit of the Palestinian President His Excellency Mahmoud Abbas, to South Africa in November 2014.⁵ This reminds us of the behaviour of the apartheid South African regime which refused visa and even declared persona non grata progressive men and women of international standing, who wanted to visit or were residing in our country. I commend the stance of the Namibian government in their unwavering support of the cause of the Palestinian people.

Honourable Speaker

It will be amiss of me, if I do not state anything regarding current US-Cuban relations. The current US administration appear to have gone back to the previous years of strained relations. As of October last year (2017), the number of US visitors to Cuba reduced, following a travel warning by the State Department. Further, the Department of State announced at the beginning of this year that the staff at the US embassy in Havana will be reduced, which marks further degrading of US Cuba relations that were built during the tenure of President Barak Obama. Analysts state that with the current relations, the US diplomatic presence in Cuba will be weaker than at any time following the opening of the US Interests Section in Havana in 1977, during the tenure of President Jimmy Carter.

Yours truly recently visited the land of Fidel Castro in the company of the Right Honourable Prime Minister, Dr Saara Kuugongelwa-Amadhila, who expressed our solidarity and support to the people of Cuba to continue with courage and determination in their noble cause to defend the gains of their revolution. Our relations with Cuba and our support for their cause remain cemented in the historic ties established during the cause of the Namibian liberation struggle and the post-independence sound diplomatic relations established in March 1990. Last year,

⁵ Embassy of the State of Palestine, 2015, *Press Release*, ref. 103/100/15, dated 24 April 2015, Pretoria: Embassy of the State of Palestine.

former Namibian students in Cuba joined the Cuban nation in celebrating 40 years of solidarity with the progressive people of the world characterised by the provision of education, both at secondary and tertiary levels. This year, we will commemorate 30 years of the Battle of Quito Cuanavale, where the armed military wing of SWAPO, the People's Liberation Army of Namibia, fought alongside the Angolan and Cuban Armed Forces against the apartheid South African colonial forces, resulting in South Africa agreeing to the implementation of the United Nations Security Council Resolution 435 of 1978, which paved the way for Namibia's independence. The heroic sacrifice as well as the solidarity and support of Cuba to the Namibian cause is a gesture that shall for ever remain highlighted in the books of Namibia's history. Against this background, I am repeating my previous assertions made on this rostrum and elsewhere that I, Peya Mushelenga, condemn in the strongest terms without any fear, reservation or apology whatsoever, the US economic embargoes against Cuba.

With these words, I support the Appropriation Bill appropriating money for the financial year 2018/19, and the Medium Term Expenditure Framework 2018/19 – 2020/21

I thank you.