



NANGOF

Namibia NGO Forum



Basic Income Grant Coalition

Secretariat: c/o Desk for Social Development (ELCRN) - ☐ 5069 Windhoek - ☎ +264 (61) 235466 - 📠 +264 (61) 235499 - E-mail: cd.haarmann@gmx.net

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PRESS CONFERENCE

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Response to the NBC report about the meeting 15 May 2006 with the Honourable Prime Minister

The BIG Coalition would like to reiterate its gratitude towards the President, the Prime Minister and indeed the whole Cabinet for their openness and constructive engagement with the Coalition so far. We acknowledge that the issue of addressing mass poverty and economic participation and empowerment of the people of Namibia is not easy and requires thorough and continuous discussion and debate. Our basis for this is our longstanding history of joined action in the struggle towards the political and economic liberation of Namibia. The seriousness and openness we have been received with, let us rest assured that we can build on that foundation and Namibia is a matured democracy. We can now jointly tackle this economic and social struggle.

We would like to point out that it was in this spirit of mutual respect and co-operation that the meeting between the Honourable Prime Minister and the delegation of the Coalition took place on Monday, May 15th 2006. The Honourable Prime Minister had called the meeting in order to share in person the deliberations of Cabinet on the Basic Income Grant proposal with the delegation of the Coalition. During the meeting it was agreed upon that the delegation would consult with the Coalition and formulate its response to the deliberations of Cabinet back to the Prime Minister. The Prime Minister offered then to present again the Coalition's response to Cabinet. While the meeting was held in camera, no journalists had been invited and the delegation understood this as a non-public meeting. It is in this context that the Coalition would like to express its astonishment that the Prime Minister's Office has sought to take the discussion into the public at this point in time. Furthermore, it is with dismay that the Coalition had to observe that the account of the meeting was seriously misrepresented in the NBC's broadcasting and commentary on the same Monday evening news. This report did not reflect the spirit in which the meeting was held. For the benefit of a true account to the people and for the advance of a continued constructive debate, we therefore feel that we need to correct the NBC's report and give a first reaction of the Coalition to the Cabinet's response.

BIG is a crucial policy proposal

The commentary in the NBC broadcast reports that I as the leader of the delegation apparently said, that I would take the response of Cabinet to the Coalition "*in order to come up with alternative solutions*". This needs to be corrected. What I in fact said, was that I will take the Cabinet's decision to the Coalition and that the Coalition would formulate its response but no alternative solutions featured or were mentioned during the whole meeting from the side of the dele-

gation. The Coalition does not claim that the BIG is the only way to address poverty and in fact all members of the coalition are involved in many different poverty alleviation efforts. The BIG is one of the aspects to address poverty, however it is so far an important and sustainable policy proposal, which would directly address mass poverty and would be a crucial step to transform Namibia's society and economy.

The broadcast of the response of the Cabinet to the BIG proposal was placed between two news items: The one being the report of Ramatex's threat to withdraw from Namibia and to place 6,000 people at the risk to be left without any income on the streets. The second one, the report of people in Swakopmund's DRC settlement who have to look for something edible on the dumping side amongst medical waste dumped there. These reports clearly show the harsh realities of Namibia. It must sound cynic to all people directly affected by these realities that the Prime Minister chose the curse from Genesis 3:19 that '*in the sweat of your face you shall eat bread (...)*' as a justification to put the implementation of the BIG on hold. Where are the Ramatex worker's from Katutura or the people on the DRC dump side going to work with sweat on their face for their bread? Where are they going to get the modest resources from to start to take their economic life into their own hands? The people of Namibia are not lazy to work with sweat on their face, the liberation struggle is proof of that. The question is rather, when are we prepared to change the structural injustices of the economy, by giving resources to the people directly instead of giving them to exploitative foreign investors building and dumping sweatshops?

Namibia's unjust economic situation still reminds us of the situation of Amos, where

They sell the righteous for silver, and the needy for a pair of sandals. They trample on the heads of the poor as upon the dust of the ground and deny justice to the oppressed. (Amos 2:6b-7)

Let us together as the Nation change and start to provide justice and rebuild Namibia:

[...] let justice roll on like a river, righteousness like a never-failing stream. (Amos 5:24)

NAMTAX

The Coalition needs to acknowledge that the Basic Income Grant proposal is not its own proposal but that the Coalition was formed in support of the proposal by Government's own Tax Consortium's recommendation namely the NAMTAX Commission, which had described Government's predicament in the following way:

It is obviously important for a government to try to address this problem [extreme disparities in income and a very serious problem of poverty] in a way that is sustainable, encourages investment and economic growth, and avoids the poor becoming dependent on the state (rather than seeking ways to become self-supporting) (Namtax 2002).

Government's Tax Consortium therefore concluded in this regard that:

Following an extensive review of the relevant literature and an analysis of possible alternative strategies, we found that by far the best method of addressing poverty and inequality would be a universal income grant (Namtax, 2002).

Cabinet's response to the Coalition "*that introducing such a grant would make no economic sense and [Cabinet] therefore rejected the proposal [Remarks by Nahas Angula on Monday, May 15th 2006]*" stands in stark contrast to the Tax Consortium's findings and the findings by the Coalition. However, the Coalition appreciates the then further elaboration within the remarks by the Honourable Prime Minister on Government's consideration that if the money to finance a BIG could be found Government entertains the prospect of still introducing the grant.

It is important to note that the Prime Minister spoke of additional costs of N\$ 1 billion per year to Government for an introduction of a BIG. This is in line with the findings of the research commissioned by the Coalition, which found that the net-cost to Government range from N\$ 0.8 to N\$ 1.4 billion per year. It is very unfortunate and misleading that the NBC diverts from what the Prime Minister stated and in its own projection labels the apparent cost to Government at N\$ 2.6 billion in its broadcast.

Financing a Basic Income Grant

The Government's proposal to look into reprioritization as one of the means to finance a BIG besides the proposed changed tax structure shows the seriousness the Government is addressing the issue and certainly needs more consideration. However, the notion that the money should be reprioritised from the poor, for example old age pensions, disability grants is strongly rejected by the Coalition. It is not understandable why there should be a trade off, as the current grants intend to address different issues. The current grants assist people, like the elderly and people with disability, in their special needs – assistance they still need, even if a BIG is introduced. The BIG, on the other hand, provides basic resources for people to be freed out of the poverty trap. It enables households to support their members to find work, create self-employment and escape dependency. The BIG is a redistributive measure, to channel resources directly to people, who are currently structurally excluded from the economy. The masses in Namibia still do not have appropriate access to resources. This is why currently poor people like e.g. pensioners already have to carry the brunt of the burden to secure the survival of other poor family members. Therefore, to further redistribute from within the poor as proposed by Cabinet, would not only make no economic sense but would be grossly unjust. It would fail to address the overall societal imbalances caused by colonialism, apartheid and the neo-liberal realities of globalisation. The Basic Income Grant Coalition, to the contrary, is advocating that it is high time to start to redistribute Namibia's wealth more equally and to entrust people with resources securing their survival and enabling them to become citizens who can share and contribute in Namibia's economy.

Bishop Dr. Z. Kameeta on behalf of the Basic Income Grant Coalition