PRIVATE SECTOR CONCERNS OVERMISMANAGEMENT OF PUBLIC FUNDS AND LACK OF ACCOUNTABILITY AND RESPONSIBILITY BY THE POLITICAL LEADERSHIP

INTRODUCTION AND BACKGROUND

We, the Malawi Confederation of Chambers of Commerce and Industry (MCCCI), representing the views of our members who are from all sectors of the economy and are the largest source of Government Revenue, would like to put on record our deepest shock and disappointment with the blatant lack of accountability, transparency and responsibility by the Executive with respect to handling issues relating to looting of public funds, disappearance of proceeds from sale of the Presidential Jet, poor prioritization of public expenditure as evidenced by preference for frequent travels by the executive vis-à-vis pro-poor programmes such as procurement of drugs etc, and failure to call Parliament to meet mid-year.

Despite undertaking to release the report of the Forensic Audit of the so called Cashgate on 31st January 2014, the Executive has kept postponing such a release three times now – to 14th February, 18th February and recently indefinitely. We view this development in a negative manner as denying the private sector and the public in general the right to know the extent of the plunder that has taken place. By denying citizens the right to know the truth of what happened in the Cashgate Scandal, we can conclude rightly or wrongly that the Executive is covering itself up.

We were further shocked to hear from the Government through the Minister of Information that the report will first go to Cabinet before being released to the public. Has the Executive suddenly become accountable to itself? Instead of subjecting itself to checks and balances by the constitutionally established institutions of governance such as Parliament, the Executive seems to be taking everyone for granted and ignoring every rule in the book. We insist, that as promised by the President herself, the report should be presented to the Public in its original form without any omission of valuable information and with all the annexes that form part of it. As taxpayers we have a constitutional right to know whether indeed it was K8.9 billion that was looted as officially reported or K22 billion or K35 billion as other sources are saying. In addition, we need to see those who were involved being brought to account for the money and face justice. We also require beneficiaries of the loot to return what does not belong to them and this should include donations received from the culprits.

As if the Cashgate Scandal is not enough, news that proceeds from the sale of the Presidential Jet cannot be accounted for has further disturbed the private sector knowing that the jet was bought with taxpayers’ money, our money! We are aware that Government has systems created for receiving, recording and spending public resources following procedures laid out in the Public Financial Management Act and other related Acts. We are equally disturbed by the fact that Parliament seems to have been sidelined in the whole process of disposing off the jet and in deciding how the proceeds will be used. This says a lot about the status of Governance and accountability in the country. Further, we are concerned that the Minister of Information is misleading Malawians on how the proceeds from sale of the Jet were used. We know for a fact that peacekeepers are paid by the United Nations and equipment used in peacekeeping is procured by the same United Nations. We would also not expect a Minister who respects the right to information to try and prevent questions being asked on the matter more especially when the public who have a right to know are only looking for simple explanations that should not be difficult to provide if there is nothing to hide. All these developments bring to the fore concerns as to how far we can trust our leaders in general and with the public purse in particular!

In addition to the issues cited above, we have also noted with serious concern a lack of or poor prioritization in the use of available resources, which with the cut off of budgetary support are meagre. This is evidenced by the frequent travels by the executive, each journey costing Malawians millions of Kwacha, while government ministries and departments are financially suffocated, civil servants are paid late, hospitals do not have basic provisions and medicines, and public schools accumulate huge utility bills.

In addition to our concern for how our money is used, the business environment continues to worsen. Most Macro-economic indicators such as interest rates, inflation rates are still way above what would be acceptable levels in a growing economy. No business would want to expand his business in an economy that is characterized by high level corruption and impunity. No investor, domestic or foreign would put new money in an economy where the cost of doing business is rising every year because of poor economic management.

CALL FOR ACTION

We would like TO REMIND Government once again that the mandate they obtained in April 2012 came with responsibilities, accountability, transparency, honesty, being some of them. A government of the people, by the people and for the people, as democracy is commonly defined, must deliver to people and not deprive the people of what belongs to them. As the major contributor to Government’s domestic revenue:

1. We call upon the Executive to publish the forensic audit report immediately in its original form without deletions of any of its contents including any annexes. The Executive will only convince us of its sincerity and honesty if it begins to account for its actions otherwise will lose all the confidence we had in them as leaders of this country.

2. We remind the Auditor General that he occupies an important position of governance accountable to the people of Malawi through Parliament. The Auditor General’s office should be guided by ethics of the highest order which should compel him to resign from his position should he be subjected to political pressure to alter the truth. The Auditor General should desist from being attracted by baits that are hung in front of him by politicians who want to use him.

3. We call upon Government to fully account for the proceeds from the sale of the presidential jet and desist from ridiculing those who want to extract the truth from Government. As the largest tax payer, we, the private sector, demand immediate accountability of such proceeds.

4. We call upon the donor community, bilateral and multilateral to remember that whatever they donate or lend to Malawi is meant to benefit all Malawians and not a select few. As such, we expect all donors to be involved in ensuring that all support given to Malawi reaches the people it intends to assist.

In conclusion we would like to call upon the Executive that in our capacity as a major taxpayer, we have a responsibility to ensure that the taxes we pay are used for the right purposes. We therefore request the executive to address the concerns raised in this statement most of which are not new as they have been raised elsewhere by other stakeholders.