

# *“Towards a Basic Income Grant for All”*

Basic Income Grant Pilot Project  
Assessment Report, September 2008

*by*  
*Engelhardt ≠Unaeb*  
*Member of the BIG -Secretariat*

# Facts about Namibia

- Unemployment increased from 33.8% to 36.7% between 2000 and 2004
- 30% of all children below 5 years show clear signs of malnutrition (“stunted” - low height for age ratio)
- The HIV prevalence rate is about 20%
- One of the highest level of inequality in the world

# The policy proposal

- Monthly cash grant (e.g. N\$100) paid to every Namibian citizen (rights-based approach)
- Every Namibian would receive such a grant up until pension age – a HH of 6 would receive N\$600 per month
- The money of people not in need or in poverty is recuperated through the tax system
- The BIG is redistributive
- The BIG is a secure source of income
- The BIG is affordable – 2.2% to 3.8% of GDP

# The BIG Coalition

- NAMTAX Commission 2002 (Government)
- Church initiative 2003
- Establishment of Coalition 2005
  - CCN
  - NUNW
  - NANGOF
  - NANASO
  - LAC and LaRRI

# BIG Pilot Project

- Two year period, has started Jan 08
- Otjivero-Omitara (100km east of Windhoek)
- 930 recipients from 0 to 59 years (from 60 years people receive a universal pension)
- Comprehensive Research:
  - Baseline Study in November 07
  - Panel survey every six months, (July 08, Nov. 08, June 09, Nov. 09)
  - Key informants interviews (continuously)
  - Case Studies (continuously)
- Publication of first evaluation report on 2<sup>nd</sup> October 2008, Windhoek

# Voices of Otjivero-Omitara before the BIG



*Some days we don't have anything (to eat) and we just have to go and sleep and get up again without eating.*

*Unemployment, hunger and poverty are the biggest problems! We are really hungry.*

*(Emilia Garises)*

# Voices of Otjivero-Omitara before the BIG



*When I started getting sick my boss asked me to go on unpaid sick leave till I got better. When I was put on ARV treatment I started getting better and I went back to my boss but he told me that he no longer wanted me to work for him...*

*I and my child need to eat nutritional food because of our HIV status. (...) Some months we skip our monthly ARV treatment because we don't have the transport money to travel to Gobabis.*

*(Tuhafeni Veshiyele)*

# Voices of Otjivero-Omitara before the BIG



*Everyday life is a struggle to provide food for the children. It hurts me to see my children out of school. The pain a parent has to go through knowing that you cannot send them back because there is no money is unbearable and very depressing.*

*(Willemina Gawises)*

# Voices of Otjivero-Omitara before the BIG



*My employer chased me away after I went to Windhoek with his permission to visit my sister who was sick.*

*All my children attended school but could not finish their school career because I could not afford to pay their school fees.  
(Aron Swartz)*

# Voices of Otjivero-Omitara before the BIG



*I hope the situation will change with the BIG project, I am sure that many households will have food and they will be able to send the children to school.*

*I will go out and look for work and if I am successful I will look for a hostel for my children and stand on my own feet. I am still too young to sit here and suffer.*

*(Hedwig //Horaes)*

# Community mobilisation

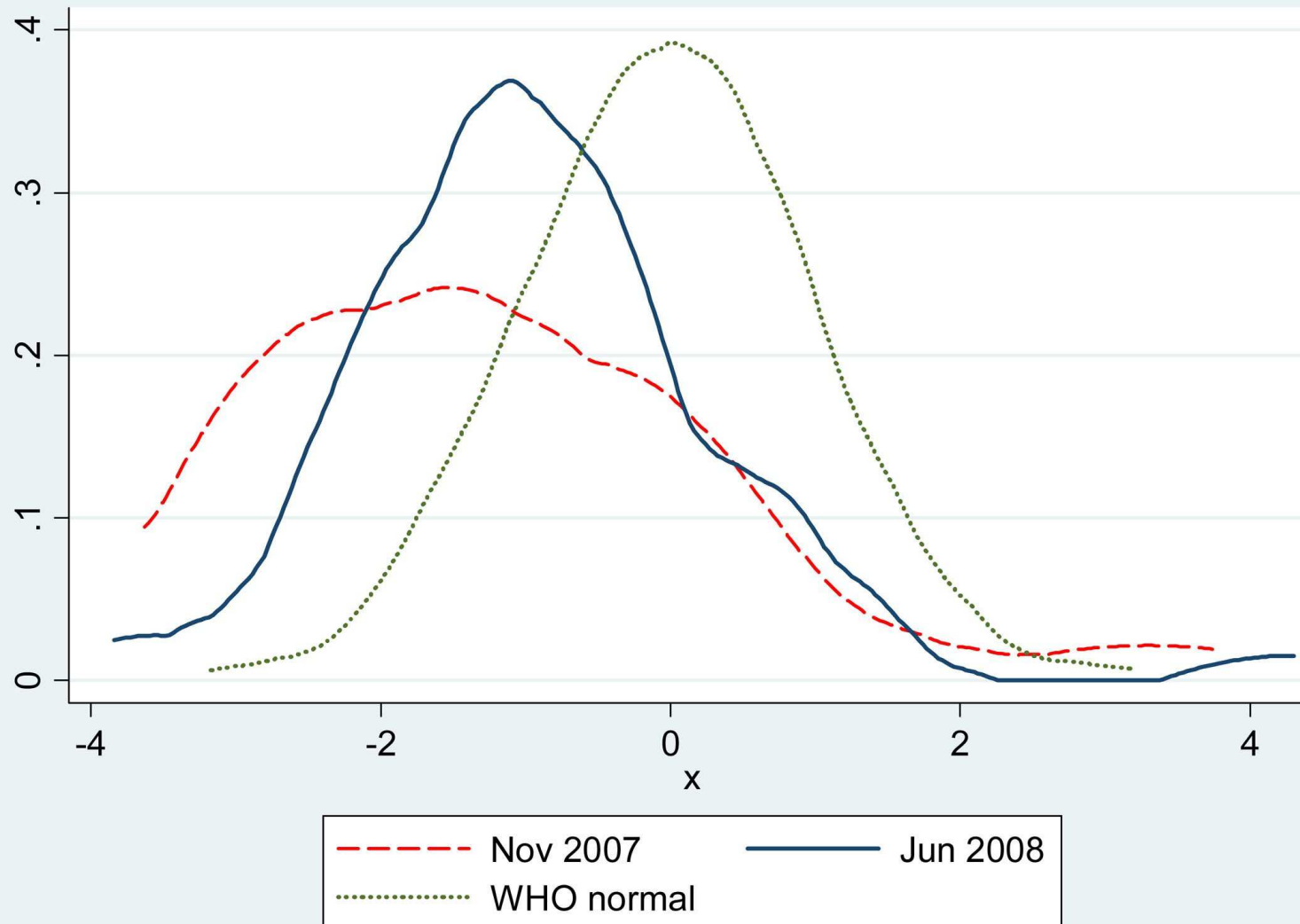
- The community by themselves started a process of mobilization, conscientisation and self-empowerment
- Own BIG Committee, with 18 members of all language groups, all age groups, from the Government nurse to the shebeen owner
- Committee's guiding principles:  
*[The BIG] is a little project with a large aim. The aim is to UPLIFT the 'life' of Omitara, then Namibia, then Africa and at last the World” (BIG Committee Otjivero/Omitara 2007)*

# Nutrition and child development



- Lack of daily food dropped from 30% to 12%
- Lack of weekly food dropped from 40% to 2%
- Food security increased from 20% to 60%!

# Weight for age *children under 5 years*



- WHO normal distribution
- Nov 07 - 42% malnourished
- After 6 months of BIG reduced to 17%

*Since January we did not have a single case of malnutrition, and that is how we see that this N\$100 really helps.*

# Health and the Clinic



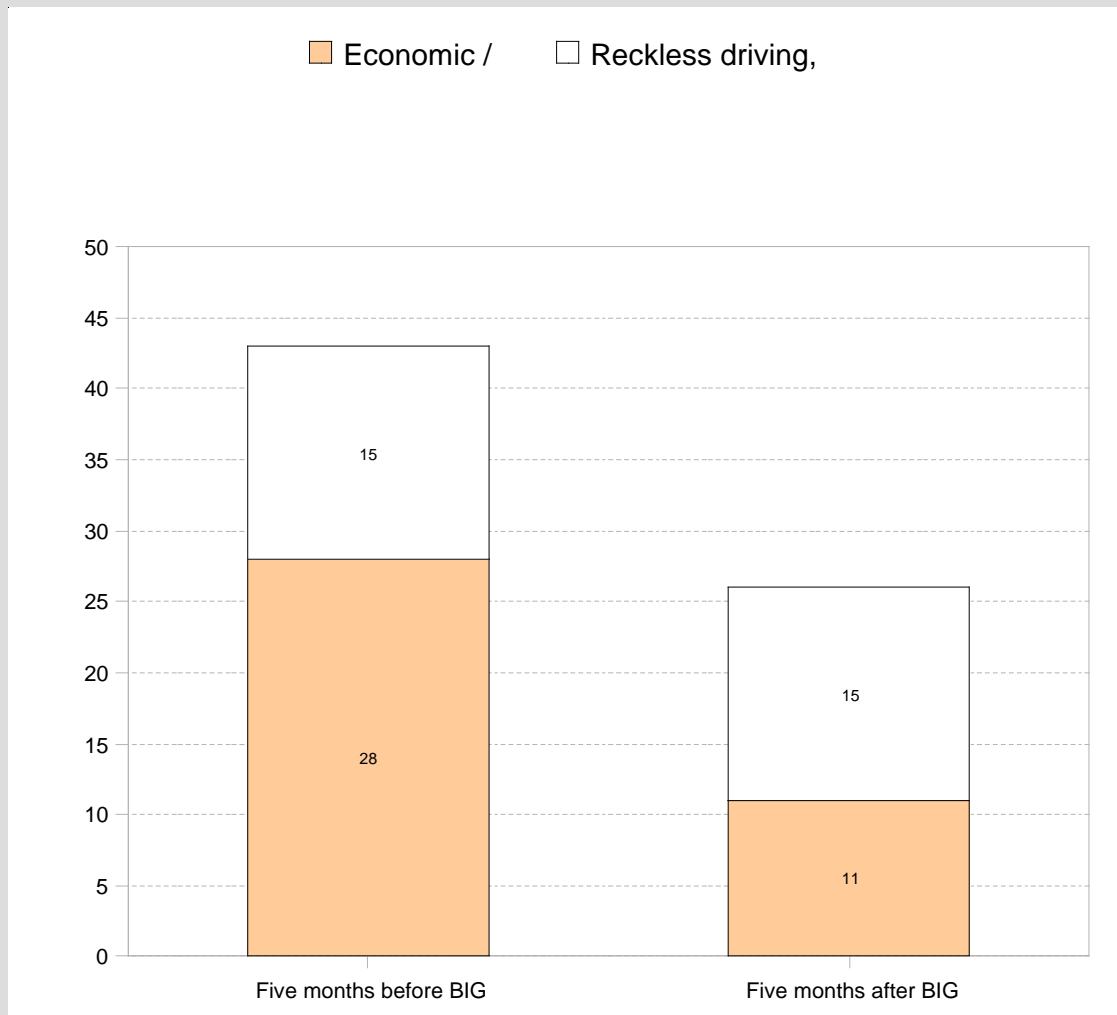
- Since the introduction of the BIG income of the clinic has risen five fold, from about N\$ 250 to N\$ 1,300
- The BIG strengthens and complements Government's efforts to provide ARV's to all, who need them.

# Schooling and child development



- Before the BIG, school attendance, performance and availability of school resources were severely negatively affected by poverty
- After the BIG, double the number of parents paid school fees, nearly all kids have school uniforms, children not attending school dropped by 50%, performance and results improved

# Crime

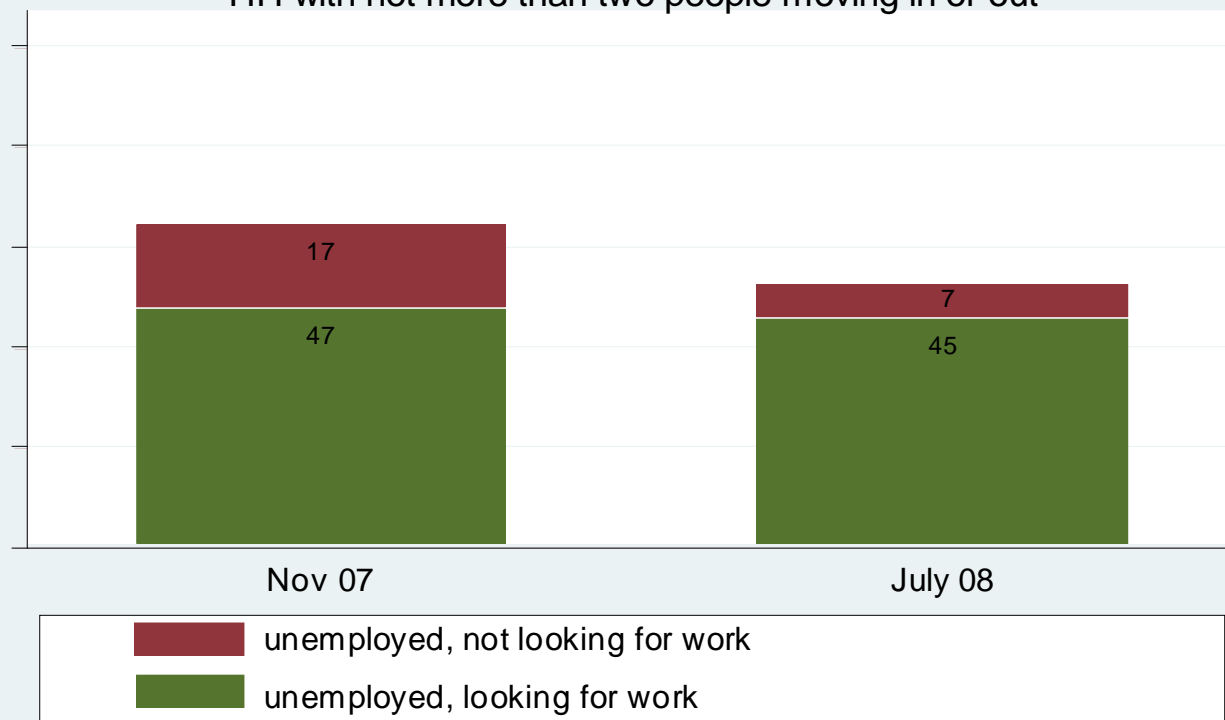


- Since the introduction of the BIG, the level of reported crime has fallen from 43 reported crimes down to 28.
- The incidence of poverty related crimes has fallen by over 60% since the BIG was introduced.

# Livelihoods and Economic Activity

## Unemployment

HH with not more than two people moving in or out

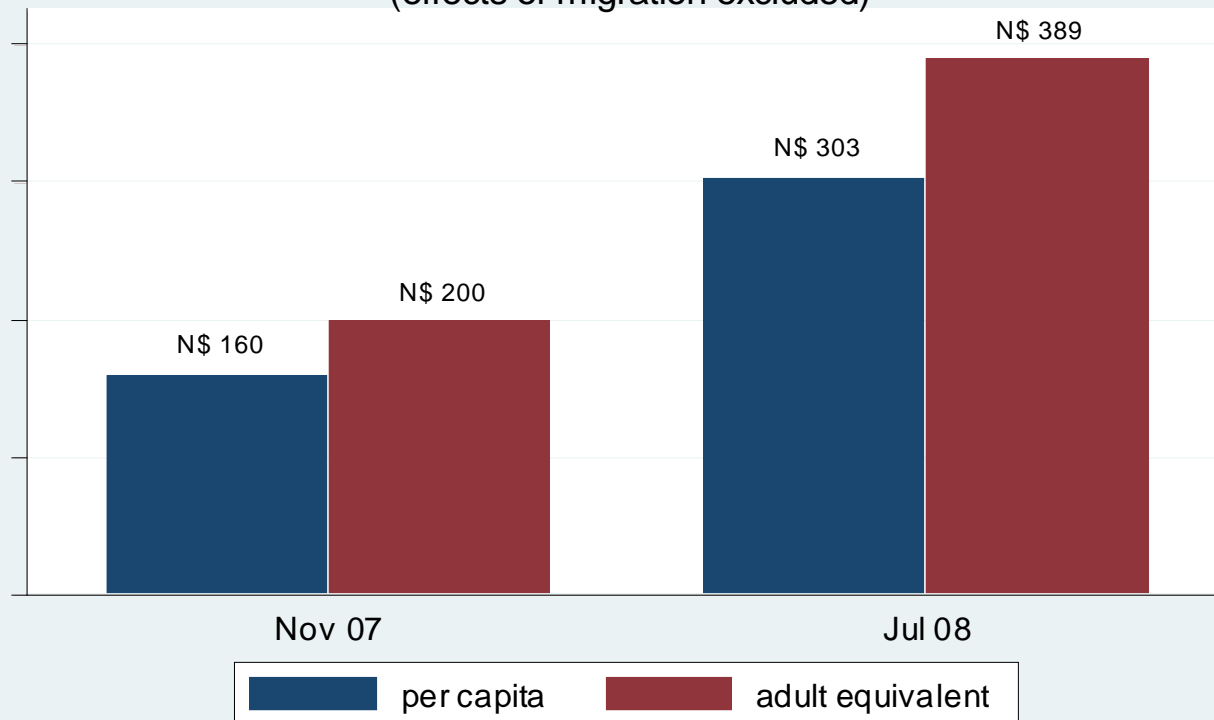


Source: DfSD & LaRRi Survey Jul 2008  
BIG Pilot Project Study

- Unemployment dropped significantly, while only 36% were working in Nov 07, in July 08 this rose to 48%
- Out of the unemployed the proportion of people actively looking for work increased.
- The introduction of the BIG facilitated an increase in employment.

# Income levels and multiplier effects

Average total monthly income in N\$  
(effects of migration excluded)

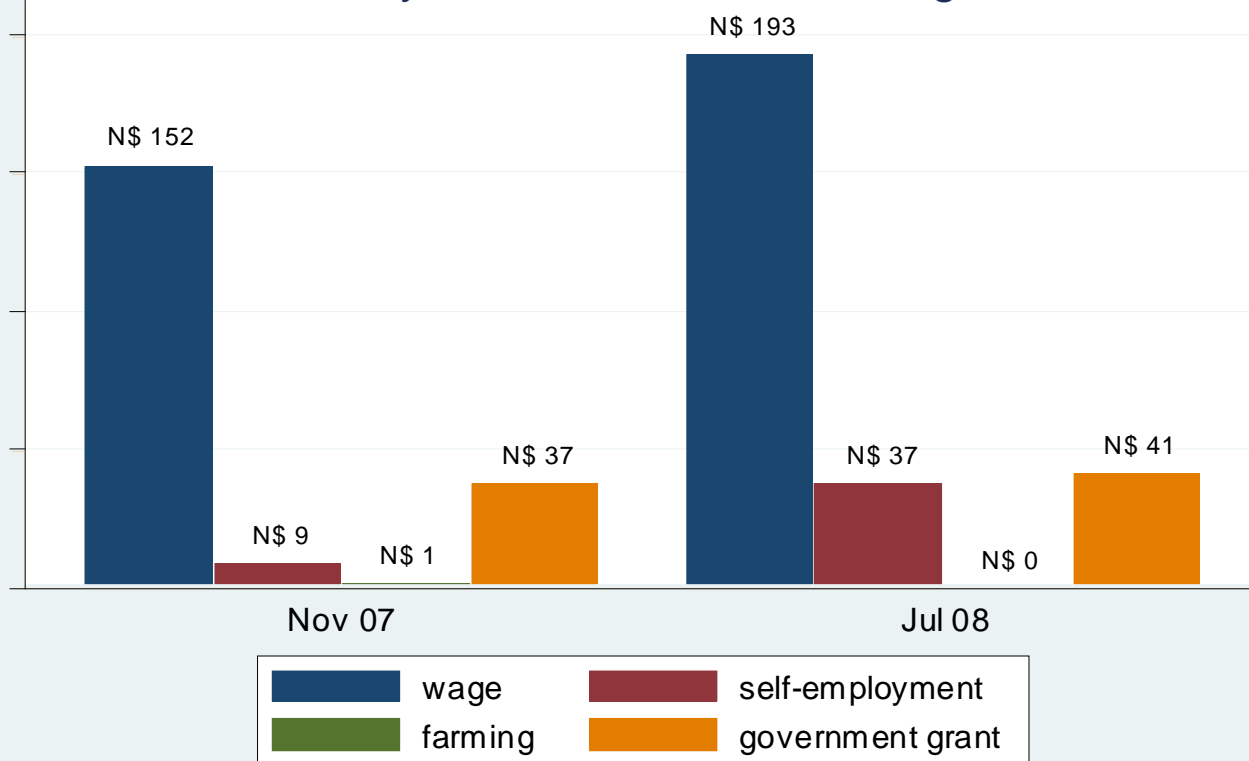


Source: DfSD & LaRRi Survey Jul 2008  
BIG Pilot Project Study

- Average income (standardized per adult) increased from N\$ 200 to N\$ 389
- BIG N\$ 100 boosted through economies of scale
- On average the people were able to realize an increase in their incomes beyond the value of the BIG

# Sources of income

Mean income by income source, excluding BIG income



Source: DfSD & LaRRi Survey Jul 2008  
BIG Pilot Project Study

- Income from wage employment increased by 27%
- Income from self-employment by over 300%
- A considerable amount of the BIG money stays in the local community, boosting local economic activity

# Expenditure shifts



- Expenditure on clothing, food and housing.
- NamPost's Laurensia Nowases: *after the BIG was introduced, 100 people opened their smartcard saving accounts and they are still coming. There are also parents who opened smartcard accounts for their children. I can also say that the pensioners, who used to spend their pension money on food and children are now able to make savings for themselves at the post office.*
- In Nov 07 only 29% of households had any large livestock. By July 08 this has risen to 41%. Small livestock from 19% to 30%, Poultry from 42% to 53%

# *“Towards a Basic Income Grant for all!”*

