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INFORMATION ABOUT NAMIBIA'S LAW

A UNIVERSAL BASIC INCOME GRANT – SOCIAL JUSTICE FOR ALL

A life of dignity is the cornerstone of our Constitutional democracy. All Namibians strive to live such a life, but many are unable to do so because of poverty and inequality. Poverty in turn leads to crime, gender-based violence and suicide – all of which have ripple effects throughout society.

In his inaugural speech in 2015, President Geingob declared ‘war on poverty’ with the aim to eradicate and not just reduce poverty. Comparing the Namibian nation with a house, he said that under his rule, “Nobody in this house must be left out.”

Article 95 of the Namibian Constitution, which makes provision for the promotion of the welfare of the people, confirms that the government has a moral and constitutional obligation to uphold all human rights by promoting the well-being of its citizens.

The Basic Income Grant Coalition advocates for a universal monthly cash payment for EVERY Namibian. The sum is still to be determined but is based on what would be required for the basic necessities of life. Since every individual would be provided with this payment, it means that all people living within a household will contribute to the maintenance of the family as a whole.

One hears many instances of grandparents looking after their grandchildren with only an old-age pension that was designed to support only one person. A Basic Income Grant (BIG) would change this. This is just one example of how the BIG would make a difference to the social ills faced by the indigent today.

Providing a BIG for each individual is a pro-poor policy because many poor people live in larger households. A BIG would help lift such households out of poverty.

Why a universal income grant? There is already a stark contrast between people who are unemployed and those who are living in luxury. Why should the rich receive this grant and how can this be justified?

The Basic Income Grant will be paid for by those who earn more than a specific threshold amount by small tax increases. Here is an example. Suppose that the BIG is N\$500/month and the threshold for the tax increase is N\$10 000. If you earn N\$10 000 per month, you would receive the N\$500 BIG, but at the SAME time you would be taxed an additional N\$500. So, your income would remain the same. If you earn more than \$10 000, you would still receive the N\$500, but your tax would increase marginally, depending on calculations still to be made. The extra tax dollars would go into the BIG coffers and be used to cover the grants for people who earn less than N\$10 000.

This would ensure that the system remains sustainable. There must be a balance between government income and government expenditure on the BIG, with the necessary funds being raised through taxation of those who are not in need. Another way of raising funds would be to cut the budgets of certain ministries, such as the Ministry of Defence, in a country which is not at war.

But why should social grants not remain the way they are now - a means-tested child grant until age 18 and a universal old age pension from age 60 onwards?

The current system places an administrative burden on the State. It entails money and time that could be diverted to the BIG fund, since the BIG would eliminate the need to expend effort to differentiate between recipients.

Those aged from 19 to 59 receive nothing under the current system. At least 50% of this segment is unemployed and has no form of income. With the BIG, they will contribute to the household and also have the ability and time to seek employment instead of focusing only on where their next meal is coming from. This means that they will also be contributing to the economy and stimulating economic growth.

The World Bank in 2022 stated that 800,000 Namibians are starving and in need of humanitarian aid. This is a shameful figure.

Is this the Namibia you want to live in? Is this the Namibian house?

To demonstrate the effects of the BIG, the BIG Coalition (in conjunction with the Lutheran Church in Namibia) carried out the first universal cash transfer pilot project in the world. That study was conducted in Otjivero-Omitara in 2008. All residents below the age of 60 years received a BIG of N\$100 per person per month. The impact was remarkable.

Household and food poverty dropped significantly which resulted in a huge reduction in child malnutrition. Families could afford nutritious food. Families accessed health services more, which increased the income of the local clinic. School attendance increased as families could afford to pay school fees and buy uniforms. Economic activities increased as residents started their own businesses or engaged in self-employment activities, such as brick-making, bread-baking and dress-making. As a result, household buying power increased.

The local police station recorded a significant reduction in crime. Residents reported increased solidarity amongst themselves as they helped each other to face life's challenges.

These findings contradict critics who claim that a BIG leads to irresponsibility, laziness and alcoholism. On the contrary, the study shows that most people make good use of opportunities presented to them and take initiative to improve their own livelihoods.

The BIG would ease pressure on individuals who are burdened with financially supporting their many family members as sole income earners, meaning that they would no longer be condemned to lives of poverty and deprivation.

The BIG Coalition advocates to restore the dignity of all Namibians. We deserve it.

This article was made possible by support from Africa Groups of Sweden (AGS).

The full assessment report of the pilot project can be accessed online here:

www.bignam.org/Publications/BIG_Assessment_report_08a.pdf.