

Living on different planets



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The hard-packed dirt road climbs through the shacks on the low rise at the western edge of Windhoek. This nameless street branches off from Green Mountain Dam Road, which runs through the impoverished Goreangab settlement. There are six communal toilets scattered between the encroaching shacks along this street. When interviewed a year ago, residents said that only one of the toilets was in use. Residents have to queue to use the toilet, while water is fetched from communal water points, most of which, a year later, still remain closed due to non-payment by residents. In late 2004, local resident and mother of two, Rufaen Hamutu, had said that she wanted to enrol her eldest son in school in 2005. However, back then she said she did not have the money to send him to school. And today, in late 2005, she still has no money. She has since sent the boy to live with relatives in the north and at nine he is still not in school. "I don't want my child to suffer like this," she says. "But there is no money." The blaring hooters of slow cruising taxis provides a constant soundtrack to life in this part of the city. Meanwhile, across town, on the eastern edge of Windhoek, is the affluent suburb of Ludwigsdorf, where a paved cul-de-sac winds amongst high walls. Palms grow on sidewalks and driveways are interlocked.

High walls and gates separate the houses from the street. This is Bishop's Close on Bishop's Hill. Here it is very quiet. In 2004, residents complained about shops being too far away with one resident saying at the time, "They could bring the shops closer". The comparison of life on these two Windhoek streets serves to illustrate the income and wealth disparities that exists between and amongst Namibians. The United Nations Development Programme (UNDP) ranks Namibia as the most unequal society in the world, worse even than Brazil and South Africa. According to the UNDP, Namibia has a Gini-coefficient of 0.7. (zero represents an equal, or perfect society, while 1 represents a totally unequal society). And in its 2004 Human Development Index (HDI) Report, the UNDP found that "(income and wealth) differences are staggering" and also that wealth distribution is still largely racialised, with white German speaking Namibians the wealthiest, ranking even better than Norway, which is the top rated country, while the San groups are at the very bottom. The 2005 HDI Report stated that the high levels of inequality are "socially indefensible, politically unsustainable and economically inefficient".

And the National Planning Commission (NPC) and some international agencies have stated that poverty is pronounced and some estimates suggest that as much as 75 % of Namibia's population live on or below the poverty line and that this situation will continue for the foreseeable future. All stakeholders and commentators also agree that the poverty and wealth distribution situation in Namibia came about as a consequence of the era of colonialism and apartheid when economic access was dependent on race and ethnicity. However, some economic researchers say that the information on which the UNDP based its calculations is outdated and therefore the picture might not be accurate. "We don't have any data. This was based on relatively old data and this might be confusing," says Klaus Schade, a Senior Researcher at the Namibia Economic Policy Research Unit (NEPRU). "What we are seeing is not based on hard facts on how poverty has developed," he says. "It's all based on assumptions. It's a lot of guess estimates. We don't really have all the data on how poverty has grown over time."

Schade says that because information on poverty and wealth distribution is lacking, Namibia does not have an official poverty line and that to say that 75% of the population is living on or below the poverty line was thus "unreasonable". He also says that in order to get a true picture of poverty and income disparities in the country, more in-depth national surveys have to be done and state agencies' evaluation capacities, of information and statistics, has to be improved. Only then, says Schade, can an accurate picture of the problem emerge. Others working in the poverty field say, lack of accurate information aside, poverty and income inequality are real and festering challenges and should be addressed as soon as possible. "It's disastrous. It's unacceptable," says Rev. Dirk Haarmann, of the Basic Income Grant (BIG) Coalition and co-editor of the BIG Resource Book. "If you go on the ground, people are starving, while alongside you have extreme wealth. That just doesn't go along."

The BIG Coalition was officially launched in April 2005 and includes the major churches, labour movements and non-governmental organisations amongst its membership, as well as economic and legal experts. The idea of the grant, of N\$100 per month to every Namibian citizen, comes from a 2002 proposal by the NAMTAX Consortium, a government instituted body setup to explore alternative paths and policies in order to increase economic growth and employment creation. Since 2004, the BIG Coalition has been lobbying government to implement the NAMTAX proposal as a way of fighting poverty and narrowing the gap between the rich and poor in Namibian society. Haarmann says that the N\$100 a month grant would considerably improve the lot of the poor and would spur spending and economic growth as well as encourage saving amongst the poor, especially in rural areas, which are hardest hit by poverty.

"A N\$100 would make a huge difference," he says. "There's a good case to be made for a redistributive programme." Haarmann mentions that in early November the idea of a basic income grant was presented before a visiting International Monetary Fund (IMF) delegation and that the response was positive. "They agreed that there is a need for such a programme, including cash to the poor," he says. "They agreed poverty is a time bomb and that they would not oppose such a proposal." He also says that the grant could be introduced with minimal modification to the tax and existing government grant structures.

"There is a strong system already in place," he says and adds that Namibia's pension and other grants payout system is the best on the African continent. However, Haarmann says even though government has granted the Coalition an ear, a lot more still needs to be done in order to make the BIG a reality. "So far government response has been very positive," he says. "But we still need to lobby a lot to see it become reality." The BIG Resource Book states that "at current economic levels the BIG is affordable, without jeopardising fiscal policies" and that "a Basic Income Grant is likely to increase social stability, boosting the confidence of investors and supporting a greater rate of capital accumulation." And Haarmann points to the social uprising in France, in late October and early November, as illustrating what would happen if poverty and disenfranchisement are not addressed in Namibia.

The issue of a BIG, as a means of addressing economic imbalances is not new to this part of the world. In South Africa, the BIG debate has been going on for years and the South African government has created a body to look into the feasibility of the proposal. The Namibian BIG proposal is largely modelled in the one being put forward in South Africa. Namibia's current economic growth rate hovers around the 4% mark, while government has set itself a growth rate of between 6 and 8% in order to meet its targets under the Millennium Development Goals (MDGs) and Vision 2030. The MDGs propose to halve poverty by 2015. Helmut Angula, Director-General of the National Planning Commission (NPC), says that government has realised the seriousness of the poverty and income inequality issues and their consequences on Namibia and is taking steps to address these issues. "Vision 2030 is about reducing all these differences," Angula says. In mid November 2005, the government, through the NPC, signed a nine month agreement with Canadian-based consultant Resources Future International, to compile all Namibian economic data and lobby internationally for support of government poverty alleviation and employment creation initiatives.

"They are supposed to go out there and assess the situation of where Namibia is now and where it wants to be," says Angula. "And also to see where there are resources we can tap by putting our case to the international community." The agreement is being funded by the UNDP, at a cost of US\$ 54 000 per phase for five phases. Angula says a final report is expected by late 2006. He also says that parallel to this process, the NPC will be compiling a detailed costing proposal for the implementation of Vision 2030 programmes. Angula says that what was done to Namibians under a hundred years of colonialism and apartheid cannot be undone in a few years and he cautions that patience is necessary and that a lot has been achieved over the first 15 years of Namibia's independence. Meanwhile, Namibians in the same city continue to live in different worlds. Rebekka Cosmas, a resident of the nameless dusty street in Goreangab, said in 2004 that she wanted to move away. She is still here. "We are still struggling," says the 28 year-old mother of one who works in a shebeen for N\$250 a month. A stench hangs around the communal toilet close to her shack. The water point is right next to the toilet. And across town, another sun sets over the quiet, clean suburb of Ludwigsdorf. All is quiet behind the high walls shielding the spacious homes of Bishop's Close on Bishop's Hill.