

# **Poverty, Unemployment and Inequality in Namibia**

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The interlinked issues of poverty, unemployment and inequality (PUI) can be traced back to Namibia's colonial apartheid legacies and continue to haunt the country since its independence in 1990. In the mid-90s, Namibia was regarded as the country with the highest levels of inequality and a gini co-efficient of 0.70. These high levels of inequality were confirmed by a government report released in 2008, but based on data obtained in 2004. It still rates Namibia as the most unequal country in the world, although with a slightly reduced gini co-efficient of 0,63 (CBS 2008). The government report points to gender, race, regional, ethnic, educational and class dimensions of inequality. Other studies, like the United Nations Human Development Report of 2009, calculated a Namibian gini co-efficient of 0.743, ahead of Comoros (0.643), Botswana (0.61), Haiti (0.595), Angola (0.586), Colombia (0.585), Bolivia (0.582) and South Africa (0.578) (UNDP 2009). The most recent UNDP Human Development Report (HDR) of 2011 indicates that Namibia obtained a Human Development Index (HDI) of 0.625 in 2011 but lost 43.5% of that value when it was "inequality adjusted". Consequently, Namibia dropped by 14 places in the global HDI ranking when inequality was taken into account. This was the highest loss of any country in the HDI ranking ahead of Sierra Leone (loss of 41.6%), Guinea Bissau (41,4%) and the Central African Republic (40,6%) (UNDP 2012).

This paper provides an overview, using available statistics and literature on the topic. It points to some of the structural causes for continued high levels of PUI, analyses some of the government efforts to reduce PUI and evaluates Namibia's progress in the context of the Millennium Development Goals (MDGs). The paper questions if Namibia can achieve meaningful and sustainable socio-economic development within a market-driven paradigm. Instead, it proposes a systematic and targeted programme of redistribution to redress of the country's unacceptable levels of inequality.

## **1. Poverty and Inequality in Namibia**

The most recent figures on poverty and inequality used by the Namibian Government are derived from the 2003/04 Namibia Household Income and Expenditure Survey (NHIES), which claimed a reduction of 55% in terms of absolute poverty between independence and 2003/04 (CBS 2006). It stated that only 28 percent of households were still affected by poverty. However, Levine (2006), claims that the methodology for deriving a poverty index was influenced by political considerations, in part by using an absolute poverty estimate, as opposed to a weighting dependent on the ratio of household income to expenditure on food. Using the old standard resulted in a much higher incidence of poverty, which does not ultimately square up with claims that economic growth has benefited the majority of the population. The method used by the Namibian Government in 2004 was a food-ratio method, whereby the definition of poverty is

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determined solely by the proportional expenditure on food: those who spend at least 60 percent of their total expenditure on food are regarded as poor while those who spend at least 80% are regarded as “severely poor”.

Poverty can, however, be measured and assessed very differently, for example, by establishing a “basket” of essential food and non-food items needed for household survival. A monetary value for such a basket could be calculated and then used as the standard used for measuring poverty. This was attempted by the University of Port Elizabeth through the “Household Subsistence Level” (HSL) (Potgieter 1997). Applied in 2004, this would have meant that about 82% of Namibians were living below the poverty line of N\$ 399,80 per person, per month. Applying the crude international poverty line of US\$ 1 per person, per day would have resulted in 62% of Namibians being regarded as poor (LaRRI 2006).

The latest official document dealing with poverty and inequality in Namibia was presented by the Central Bureau of Statistics in 2008. It adopted a new approach to measuring poverty by determining a food basket based on actual consumption patterns in low income households, plus the costs for non-food requirements. At 2004 price levels, adult persons with consumption levels of below N\$ 262 would be regarded as poor and those with consumption levels of below N\$ 184 as extremely poor. This resulted in 27,6% of Namibians being classified as poor, with 13,8% being extremely poor (CBS 2008).

**Table 1: Poverty in Namibia according to different measures**

Source	Measure	% of Namibians living in poverty
Household Subsistence Level (University of Port Elizabeth)	Basket of essential goods and services (N\$ 399,80 per person per month in 2004)	82 %
Crude international poverty line	US\$ 1 per day	62 %
Namibia Household Income and Expenditure Survey (2004)	At least 60% of income spent on food	28 %
Review of Poverty and Inequality in Namibia (2008)	Basic needs (N\$ 262,45 per person per month in 2004)	28 %

*Source: LaRRI 2006; CBS 2008*

## 1.2 Urban-rural inequalities

Table 1 shows the difficulties in defining poverty but there is no doubt that many Namibians are still struggling to meet even their basic needs. The Namibian economic structure shows significant regional disparities, overlapping substantially with a rural – urban dichotomy. On average, the income for residents in urban areas is about twice that of those in rural areas, the

latter accounting for 60 percent of households and 65 percent of the population, but only for 38 percent of total income (World Bank 2007). High levels of expenditure on food are far more widespread in rural areas than in urban areas (Van Rooy et al. 2006). In 2006, the average household income in rural areas stood at N\$ 6 139 in sharp contrast to the urban average of N\$ 17 898 per annum. The average rural household accommodates 5,5 people, as opposed to the 4.2 average for urban areas, and thus rural households are affected by poverty to a far greater extent (CBS 2006).

### **1.3 Gender inequality**

The disparities in income, employment, and access to resources with regards to gender in Namibia are equally clear. Unemployment amongst women is higher in both rural and urban areas (52.8% and 35.7%) compared to men (41% and 25.8%). Of the economically inactive section of the Namibian population, 14.9% are classified as homemakers, with women accounting for the vast majority (CBS 2008). Women are the bulk of caregivers, yet are considerably under-represented in the formal economy, especially the managerial level (EEC 2011). Female-headed households, which are some 40% of the total, have a per capita income of N\$ 7 528, in contrast to male-headed households with a per capita income of N\$ 12 248. These figures point to a large number of single mothers and to the continued economic marginalisation of women in Namibian society (CBS 2006).

### **1.4 Racial, ethnic and class inequalities**

The 2008 review of poverty and inequality found stark levels of inequity along racial and ethnic lines. Poverty is particularly widespread amongst households where “Khoisan-languages” and Rukwangali are spoken. Between 54 and 60% of them are affected by poverty. On the other hand, German and English-speaking households are hardly affected by poverty at all. In terms of consumption, the poorest 15% of Namibians account for only 1% of national expenditure while the richest 5,6% account for 53% of expenditure. In concrete figures, this means that the poorest rural households spend an average of about N\$ 104 per person, per month, compared to N\$ 5 744 in rich urban households. The NHIES of 2004 showed that the wealthiest fifth of the population accounted for 78,7% of income while the poorest fifth of the population lived on a meagre 1.4 percent of the total income.

## **2. Employment, unemployment and under-employment**

A large number of Namibian households (41,8%) rely on wages and salaries as their main source of income. In urban areas, this figure was as high as 68.8%, compared to 23.2% in rural areas, where 37.3% of households depend on subsistence farming as the main source of income. These figures indicate the critical importance that wages and salaries have for the survival of Namibian households. This is further emphasised by the fact that a 72.4% of Namibian households lack a secondary source of income. In rural areas, 85.9% of households have no secondary source of income compared to 63.2% in rural areas (Ministry of Labour and Social Welfare 2010).

These figures vary significantly between regions with wages and salaries accounting for over 70% of household incomes in the Karas and Khomas regions but for less than 20% in the Kavango, Ohangwena and Omusati regions. Subsistence farming on the other hand was the main source of household income in the Omusati (80.3%) and Oshikoto regions (49.6%) but was of

little significance in the Erongo, Hardap, Karas, Khomas, Omaheke and Otjozondjupa regions (less than 5%) (*ibid*).

**Table 2: Employment by sector: 1997- 2008**

<b>Industry</b>	<b>1997</b>		<b>2004</b>		<b>2008</b>	
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
Agriculture	146 899 (commercial & communal farms)	36.6	102 636 (commercial & communal farms)	26.6	52 788 (commercial & communal farms)	15.9
Fishing	6 771	1.7	12 720	3.3	1 318	0.4
Mining & quarrying	6 592	1.6	7 563	2.0	8 894	2.7
Manufacturing	25 983	6.5	25,755	6.2	20 961	6.3
Electricity, gas & water supply	4 576	1.1	6 151	1.6	5 384	1.6
Construction	19 801	4.9	19,605	5.1	23 316	7.0
Wholesale & retail trade, repair of motor vehicles, hotels and restaurants	36 803	9.1	67 027	17.4	61 453	18.5
Transport, storage & communication	13 480	3.4	15 861	4.1	15,598	4.7
Finance, real estate and business services	28 061	6.8	16 956	4.4	23 589	7.2
Government service including administration, defence, education, health, social work and social security	56 974	14.2	75 863	19.6	70 166	21.2
Other community, social & personal services (including domestic work)	53 065	13.1	36 713	9.5	47 367	14.3
Other	2 135	0.6	479	0.1	584	0.2
<b>TOTAL</b>	<b>401 203</b>	<b>100</b>	<b>385 329</b>	<b>100</b>	<b>331 444</b>	<b>100</b>

**Sources:** Ministry of Labour 2001, 2006 and 2010

The table above shows the structural nature of Namibia's unemployment problem. Employment in agriculture fell drastically between 1997 and 2008, although this is partly due to methodological challenges in capturing employment in subsistence agriculture in Namibia's

northern communal areas. However, there is little doubt that Namibia's already under-developed manufacturing sector declined further during that period. Thus Namibia's efforts to attract labour-intensive manufacturing industries through its Export Processing Zone (EPZ) programme did not show visible results. Only the service sector (especially wholesale, retail, and hospitality) as well as the public service recorded a significant increases of jobs between 1997 and 2008.

In 2008, there were 81 126 employees in the public sector (civil service, municipalities and state-owned enterprises) and 139 154 in the private sector. About 4000 worked for non-profit organizations, about 9000 for co-operatives and 38 449 worked in private households. In relative terms, this mean that 51.1% of employed persons worked for the private sector, 20.9% worked for government, 14.1% worked for private households, 8.9% worked for parastatals and 3.3% worked for co-operatives (Ministry of Labour 2010).

## **2.1 Unemployment**

The Labour Force Survey defines a person as employed when he/she worked for pay, profit, or family gain for at least one hour during the 7 days preceding the survey interview. In line with the international statistical standards, the Namibian Government's unemployment definition is based on three criteria, namely:

- (i) being without work,
- (ii) being available for work, and
- (iii) seeking work.

The “strict” definition of unemployment excludes from the ranks of the unemployed those individuals (15-65 years old) who are without jobs and available for work, but who are not actively seeking work. The “broad definition” of unemployment, on the other hand, regards every person who is 15 - 65 years of age and without work but available for work as being unemployed - whether he/she is looking for work or not. The Labour Force Survey presented unemployment figures for both definitions at 37,6% and 51,2% respectively.

**Table 3: Unemployment, 1997 – 2008 (broad definition)**

	<b>1997:</b> 34,5%	<b>2000:</b> 33,8%	<b>2004:</b> 36,7%	<b>2008:</b> 51,2%
Overall Unemployment:				
Unemployment amongst women	40,4%	39%	43,4%	58,4%
Unemployment amongst youth (15-24 years)	58%	67%	61%	75%

*Source: Labour Force Survey 1997, 2000, 2004 and 2008.*

Table 3 shows that unemployment has a gender dimension, as the rate is significantly higher among women (58.4%) than among men (43.5%). Female unemployment remains higher than male irrespective of the definition of unemployment used. Table 3 also shows that unemployment in Namibia affects the youth the most, as about 75% of those between 15-24 years of age were unemployed in 2008. Unemployment in Namibia is of a long-term nature as 72.2% of the unemployed have been without a job for more than 2 years (Ministry of Labour 2010).

There is a clear link between unemployment and educational attainment. Amongst those with no education, primary education and junior secondary education the unemployment rate stood at over 50%, reaching 62 – 67% amongst females. Unemployment rates were significantly lower (around 5%) amongst those with tertiary education (*ibid*).

A regional comparison reveals that unemployment was highest in Omusati, Ohangwena and Kavango (70% or more according to the broad definition) while the lowest rates were recorded in Erongo, Khomas, Karas and Hardap (less than 40%) (*ibid*).

## **2.2 Underemployment**

The Labour Force Survey of 2008 defined underemployment as working 35 hours or less during a working week. Out of the 331 444 employed persons in Namibia, 61 474 (18.5%) fell into that category and were regarded as part-time employees. Most of them were in “elementary occupations” (18 151), followed by craft and trade workers (15 360) and services, shops & market sales workers (10 831).

Underemployment seems to be far less common than unemployment as only 20 351 employed persons indicated that they were available to work more hours. Most of them live in urban areas and are working in private households. In rural areas, most of those available to work more hours are employed in agriculture (Ministry of Labour 2010).

## **3. Efforts to combat poverty, unemployment and inequality**

According to the World Bank, Namibia has made significant strides in economic and social progress, especially when it comes to social spending. It notes that the country is in the top ten globally, in terms of percentage of GDP spent on education, and ranks second only to South Africa on the continent, when it comes to expenditure on health (World Bank 2006).

### **3.1 Social protection**

In line with the constitutional commitment to promote the welfare of the population, Namibia has expanded its social protection programmes after independence and the currently operational programmes include:

- (a) Universal and non-contributory old age social pensions which are paid to all citizens or permanent residents who reached 60 years of age, irrespective of sex, past and current employment status and income. Currently the social pensions stand at N\$ 550 per month. .
- (b) A disability pension is paid to those of 16 years and above who have been diagnosed by a state doctor as being temporarily or permanently disabled. This may include blind persons or

those who are medically diagnosed with AIDS. The number of people receiving old age or disability pensions reached 150 893 in December 2008.

(c) War veterans subventions are paid to those who took part in the long struggle against South African colonial rule, irrespective of age, assets or employment status provided that she/he has an annual income of less than N\$ 36 000. The value of this subvention increased from N\$ 500 in 1999 to N\$ 2 000 in 2007. By 2007, the number of recipients of this subvention stood at 1 767.

(d) Child maintenance grants are paid to a biological parent of a child under 18 years and to those parents whose spouse is receiving an old age or disability grant, has died or is serving a prison sentence of 3 months or longer. The amount paid is N\$ 200 for the first child and N\$ 100 for each additional child for up to a maximum of six children. Payment is based on means testing and some conditionalities, for example, the restriction to applicants with monthly incomes of less than N\$ 1 000; and providing school attendance records, if the child is older than 7 years. The aim is to create a monetary incentive for keeping the child in school. In December 2008, 99 490 recipient were registered as beneficiaries of this scheme.

(e) Other formal and publicly-funded programmes include labour-based public works programmes, food distribution in times of humanitarian crises, such as the frequent droughts or floods, work-for-food programmes and a school-feeding programme (Jauch and Kaapama 2011).

In addition, there are “informal” social welfare arrangements such as extended family networks, remittances, and sharing of food and other necessities and interest-free loans from relatives and neighbours, which also play an important role in mitigating poverty. However, such arrangements have been gradually rendered insufficient, given the pervasive poverty, high mortality rates due to the HIV and AIDS epidemic, high levels of migration to urban areas in pursuit of formal sector jobs, and food insecurity (*ibid*).

In some regions, the Ministry of Gender Equality supported livelihood-improving and income-generating activities such as vegetable gardens and SMEs as a means of addressing hunger, poverty and unemployment (NPC 2008).

### **3.2 Attempts to achieve gender equality**

Discrimination on the basis of sex is outlawed by the Namibian constitution (article 10) and after Independence the Namibian Government ratified a number of international protocols, promulgated laws and introduced policies to obtain legal equality between men and women. Prior to Independence, women were legally regarded as minors under patriarchal control (Hubbard 2007) and thus various laws were passed to effect gender equality in legal terms.

The Namibian Government promulgated the Married Persons Equality Act 1 of 1996 that grants equality to partners in marriage. The Combating of Rape Act 8 of 2000 provides a gender-neutral definition of rape, attempts to protect women and children and outlaws marital rape. The Combating of Domestic Violence Act 4 of 2003 criminalises what is often considered as the legitimate use of force by men on intimate partners. This includes sexual violence, intimidation, harassment, economic violence and physical violence. The Maintenance Act 9 of 2003 legally forces fathers to contribute to the upkeep of their dependent children irrespective of whether those children were conceived inside or outside of marriage (Jauch et al 2009).

In the economic sphere, the Co-operatives Act 23 of 1996 requires a substantial number of women on the boards of cooperatives and the creation of women's only co-operatives. As mentioned before, the Affirmative Action (Employment) Act 29 of 1998 is aimed at increasing the representation of certain disadvantaged groups, including women in formal work places. The Labour Act 11 of 2007 prohibits sexual discrimination and sexual harassment in employment and makes provision for paid maternity leave. While customary land rights have largely remained patriarchal, the Government passed the Communal Land Reform Act of 2002 as an attempt to secure tenure for women after the death of a male spouse (Hubbard 2007). In the area of housing, Government has introduced the Build Together Programme. Poor single mothers are often the main beneficiaries of this programme (Iiping & Le Beau, 2005). What is still missing from the economic programming is gender responsive budgeting that can account for the differential effects government's fiscal policies have on men and women. Overall economic policies also fail to mainstream gender. Macro-economic frameworks do not specifically address women's lack of independent livelihoods. This area is often treated as a matter of social welfare policy rather than being central to economic policy (Jauch et al 2009).

### **3.3 TIPEEG**

In 2011, the Namibian government announced a Targeted Intervention Programme for Employment and economic growth (TPIEEG). Its stated target is to create 104 000 direct and indirect jobs between 2011 and 2014. The budget allocation amounts to N\$ 9,1 billion but will rise to N\$ 14, 7 billion if the expenditure on public works programmes is added. SOE investments during that period are envisaged to amount to another N\$ 4 billion (NPC 2011).

TPIEEG's priority sectors are agriculture (N\$ 3,6 billion to be invested and 26 171 jobs to be created); transport (N\$ 3,1 billion for 33 276 jobs); housing and sanitation (N\$ 1,8 billion for 35 076 jobs), tourism (N\$ 649 million for 10 000 jobs) and public works (N\$ 5,5 billion for 82 000 jobs). The agricultural projects target crop production, enhanced livestock productivity, forest management and water resources infrastructure. Transport investments target road construction and rehabilitation as well as rail network development and port development in Walvis Bay. The tourism investments aim to increase the number of tourists by 10% through tourism development and wildlife management programmes while the housing and sanitation programmes target the servicing of land, the construction of low cost houses and the creation of urban and rural sanitation (*ibid*).

The TPIEEG programme itself seems to have been put together quite hastily and it is not based on an analysis of the structural problems of the Namibian economy that have caused the unemployment crisis in the first place. Secondly, the TPIEEG document itself acknowledges that TPIEEG will not provide the solution to unemployment. It states that reducing the unemployment rate "to a more acceptable level will require more strategic and long-term thinking and efforts". The document admits that since many TPIEEG jobs will be temporary, "we might not see a rapid decline in the unemployment rate over the next 3 years" (*ibid*).

The first TPIEEG results do not provide reason for too much optimism. According to the National Planning Commission, the implementation during 2011 was rather slow and only about 7000 new jobs were created. The envisaged TPIEEG investment of N\$ 3 billion in NAMPOR will create 3000 jobs, which means that for each million invested, only 1 (temporary) job is created (Haarmann 2011). Given TPIEEG stated overall goal of creating much-needed jobs,

questions have to be asked of the TIPEEG approach to employment creation is the most effective one.

### **3.4 The proposed Basic Income Grant (BIG)**

In 2002, the Namibian Government appointed the Namibia Tax Consortium (NAMTAX) to review Namibia's tax system and to explore ways to foster economic growth and development. In its report, the consortium found that high levels of inequality and poverty were economically unsustainable and that "by far the best method of addressing poverty and inequality would be a universal income grant" (Haarmann 2005: 1). The commission further suggested that the BIG should be set at a level of N\$ 100 per person, per month. This would cover all Namibians from the date of birth until they reach the age of 60 at which time the universal national old-age pension scheme (currently N\$ 550 per month) would kick in. The consortium pointed out that the net costs of the Basic Income Grant would amount to about 3% of Namibia's GDP and could be recovered through changes in the tax system, thus making a BIG an affordable option for Namibia.

The Namibian Government was divided over the question of a BIG for the country. Some regarded it as an unaffordable welfare measure and the International Monetary Fund (IMF) did its utmost to discourage Namibia's policy makers from implementing the BIG. Thus in 2005, a coalition of churches, trade unions, NGOs and AIDS service organisations formed the Basic Income Grant Coalition with a view to advocating for the introduction of a BIG in Namibia. After 2 years of debating and lobbying, no breakthrough was achieved and the BIG Coalition decided to implement a basic income grant in one particular village to demonstrate the impact of a BIG in practice.

The chosen location for the pilot project was the settlement of Otjivero in the Omitara district, in the Omaheke region. About 1000 people resided there, most of them deeply affected by poverty. The pilot project started in January 2008 with all residents below the age of 60 years receiving a Basic Income Grant of N\$ 100 per person, per month, without any conditions attached. The pilot project was accompanied by a research team of local and international researchers that closely monitored the impact over a 2-year period until December 2009.

In July and December 2008 impact assessment studies were carried out and the sample consisted of 54 households, covering almost a third of all inhabitants. In addition, interviews with key informants in and around Otjivero were conducted. The effects of the BIG included a dramatic reduction in malnutrition amongst children; an increase in income-earning activities amongst residents and a large increase in self-employment; a significant increase in the rate of school attendance as well as payments of school fees; higher levels of nutrition amongst recipients of anti-retroviral drugs (ARVs); improved use of and payment for services rendered by the local clinic; and increasing control by residents over their own lives, for example, young women being freed from having to engage in transactional sex (Basic Income Grant Coalition 2008, 2009).

These initial results were encouraging and showed that a BIG could well be the most effective tool to fight poverty. Although it cannot be a panacea for all socio-economic challenges, the BIG represents a promising starting point that can make an immediate dent in levels of poverty experienced by Namibians.

## 4. Meeting the MDGs?

The first Millennium Development Goal (MDG) aims to eradicate extreme poverty and hunger. Between 1990 and 2015, target 1 A aims to halve the people whose income is less than U\$ 1 day (right to adequate standard of living). Target 1 B wants to achieve full and productive employment and decent work for all, including women and young people (right to work). Target 1 C aims to halve the proportion of people who suffer from hunger (right to food).

In its own assessment of progress made towards achieving the MDGs in Namibia, the National Planning Commission indicated that the aim of halving severely poor households had been achieved by 2008 already and that it was possible to achieve most other targets (see table 4).

**Table 4: MDG Progress 2008**

Indicator	1990/93 (Baseline)	2008	2006 Target	2012 Target	Achievement?
No of poor households	38%	28%	28%	19%	Possible
No of severely poor households	9%	4%	4%	3,5%	Achieved
Unemployment (broad concept)	34,5 % (1997)	36,8%	33,8%	33,3%	Possible
Gini-coefficient	0,701	0.604	0.6	0.58	Possible
Children under 5, malnourished, stunted	28,4%	24,2%	-	18%	Possible

**Source: NPC 2008**

The 2008 assessment identified unemployment as the main cause of poverty and that the modest target of reducing unemployment to 33,3% by 2012 could “possibly be achieved”. However, the figures of the LFS of 2008 indicate that this was not the case. Regarding a reduction in inequalities, the NPC noted that ”the reduction by about 15% of the Gini-Coefficient in Namibia is encouraging and a further reduction aimed at for 2012 is likely to be achieved (NPC 2008). Currently no data are available to verify if this goal has indeed been achieved.

The NPC assessment further states that the target to reduce the number of malnourished children to 18% “is ambitious, but it could possibly be met”. However, a World Bank pamphlet based on 2009 data, points out that of all children under 5 years of age, 29% were stunted, 17% were underweight and 8% were wasted. Furthermore, 16% of infants were born with low birth weight, 19% of households were food insecure and many more households lacked access to diverse diets throughout the year. The World Bank pointed out that “achieving food security means ensuring quality and continuity of food access, in addition to quantity for all household members”. It thus warned that “Namibia will not meet MDG 1 C (halving the 1990 rates of child underweight by 2015) with business as usual” (World Bank 2010).

Namibia thus made progress with regard to dealing with the worst forms of poverty but falls short on the right to work and possibly the right to food. Even the Prime Minister recently raised

concern that there were 291 000 malnourished children in the country (NBC TV News, 28 March 2012),

## **5. Conclusion<sup>2</sup>**

Namibia's historic legacy of apartheid-colonialism resulted in enormous levels of socio-economic inequality, primarily along racial lines, but also according to gender and class. The country's negotiated transition to independence ensured that economic structures remained largely intact after independence. Despite various attempts by the Namibian Government to provide basic services for all (such as education and health) and despite several policy interventions aimed at redressing the apartheid legacies and extending social protection, Namibia still ranks amongst the most unequal societies in the world.

Namibia followed a path of market-oriented economic policies, coupled with moderate social reforms but without a systematic programme of redistribution. As a result, the country's achievements, in terms of overcoming poverty, unemployment and inequality, were limited. The rural population, vulnerable workers and informal economy workers experienced only few material improvements since Independence. Likewise, the achievement of substantive gender equality is still a long way off. Despite the substantial achievements in terms of legal equality, patriarchal cultures and attitudes are still widespread. Women tend to find themselves in the lowest levels of employment and form the majority of operators in the survivalist informal economy. Gender equality can only be achieved if it addresses the structural impediments that limit the economic independence of self-sufficiency of working women.

Namibia's economic policies followed largely the neo-liberal dogma and were shaped by the desire to accommodate foreign investment, which was regarded as the engine of economic growth and job creation. However, despite an array of incentives offered to foreign investors, unemployment remained rampant and the country is unlikely to achieve the MDGs within the current macroeconomic framework. Experiences in Namibia and elsewhere in Africa point to the urgent need to depart from the market-driven approach to social and economic policy. Instead, a systematic and state-supported process of redistribution has to be adopted if the current levels of inequality are to be addressed. A first step in this regard could be the introduction of a universal basic income grant as suggested by Namibia's BIG Coalition.

In Southern Africa, one of the most comprehensive proposals for an alternative development strategy is contained in the book on "Alternatives to Neo-Liberalism in Southern Africa". The proposals made include a political, social and economic transformation of the current state of affairs. This is of direct relevance to Namibia where a liberal parliamentary democracy, with regular elections and largely private ownership of productive resources, has entrenched inequality. Local processing hardly occurs and unemployment has remained consistently high. The time seems ripe for Namibia to look at other models of development to overcome poverty, unemployment and inequality.

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<sup>2</sup> The conclusion draws substantially from Jauch et al 2009

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