The Debate in Context: Facts and Fiction about Otjivero

By Claudia & Dirk Haarlaam, Hlilna Mote and Herbert Jauch

Part 1

Before I get to the lively discussion about the BIG pilot project in the last few months, we, the authors of the BIG assessment report (Otterman, 2010), decided to clarify some of the basic facts in an attempt to contribute to a constructive debate.

The Background of the BIG in Namibia

In 2002, NAMTAX, a government appointed tax commission, recommended a new tax called the universal basic income grant “as the best instrument to decrease poverty and inequality in Namibia”. NAMTAX argued that sustainable economic growth alone would not achieve economic growth and inequality persistence.

At a conference in November 2004, an international reference group (comprising of a programme financed by the German Society for International Co-operation) decided to create a broad-based BIG Coalition to work together with all stakeholders on the development of a country-wide BIG.

After three years of lobbying by NAMTAX and others to make BIG a reality, the government in 2007 confirmed the effectiveness of a BIG, the coalition decided to start a two-year pilot project, with the goal to establish the impact in practice.

The pilot project was financed through donations from sup- portive foundations and the government of Namibia and abroad.

The baseline and assessment of the pilot project took place before the start of the pilot project and after six and 12 months of implementation, in an attempt to establish the status and impact of the pilot project.

In this section we will summarize the methodology and the credibility of the scientists who conducted the research in Otjivero before the project started.

The research methodology and the credibility of the scientists who conducted the research in Otjivero were not poor before BIG started.

Fact: The calculations, on which the evidence is based, are proven to be methodically wrong.

September 2008, NEPRU criticized the first big report and presented its own calculations, “changing the conclusion that “there are poor households in Namibia but not in Omitara” and the credibility of the scientific validity of the impact of the BIG were questioned.

Meanwhile, the BIG Coalition pointed out that the methodological foundation of the NEPRU analysis was wrong, because it was based on average values. The NEPRU analysis identified 22% of the population as poor, because it included any actual poverty experienced by poor households. Applied to Namibia, in Omitara the BIG Coalition lead to the conclusion that nobody is poor in this country. Therefore, the BIG Coalition argues that poverty is receiving a relatively high level of income. However, the reality is that a large part of the population of Namibia lives in conditions that the situation of individual households, but rather the aggregate of all households.

Some poverty analysis is simply wrong because the few wealthier households skew the average value, while less than half of the parents were able to pay the school fees. A BIG, 90% of the parents paid the school fees and almost all children completed the school years. However, parents need much more money than the school fees.

Based on the statistics of the government, the overall crime rate decreased by 37% after the BIG was introduced. This was due to a reduction in theft and trespassing by 95% and theft of livestock declining by 43%.

Ensuring of data confidentiality

Statement of the BIG Coalition: The research cannot be verified and thus they are “sugar-coated”.

Fact: The research data from individual households is not publicly available, because the Otjivero residents were prevent from knowing their personal information.

This is a standard procedure, also adopted in all government research projects. Apart from the Namibian research team, the international researchers came to Namibia twice to verify the results, and to test the data. The BIG Coalition repeatedly invited the researchers to come to Namibia to evaluate the data and asked for a commission to discuss the methods used.

The second part of this article will deal with the claim of a “dependency from Germany”, as well as the critique of the BIG pilot project and the likely impact of a BIG in Namibia.

Part 2

Due to the lively discussion about the BIG pilot project in the last few months, we, the authors of the BIG assessment report, decided to clarify some of the basic facts in an attempt to contribute to a constructive debate. The first part of this article therefore cost N$ 2.5 Million for the period of January 2008 until the end of June 2009.

The total research cost amounted to about N$500,000 and covered fieldwork, training of enumerators, the development and testing of data analysis, printing and publication of the reports etc.

The overall cost of the pilot project thus amounted to N$3 million, fully accounted for by the BIG Coalition (Desk for Social Development of the ELCRN) and audited by Grant Thornton Nixenhaus.

Social protection in the context of Namibian unemployment

The abundance of articles and TV programmes have shown how important BIG has become for the national and international debate. The overwhelming majority of the statements of the BIG Coalition from journalists was a direct reflection of the actual changes but also some rather biases.

During the last few years, a comprehensive discussion about the BIG pilo project in Otjivero has shown that the BIG Coalition desires to “pay the key to fight poverty, as a method to reduce income inequality and poverty”.

In order to make the concept of BIG work, the Namibian Coalition desires to “pay the key to fight poverty, as a method to reduce income inequality and poverty”.

Namibian experiences with targeted grants have shown that they are too small and do not help the poorest of the poor, because of bureaucratic hurdles. Also, the overall tax burden of Namibian citizens has been reduced by the non-taxation of electricity, a condition of the national tax reform.

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