

CHILD POVERTY IN NAMIBIA

A child-centered analysis
of the NHIES 2009/10



**Namibia Statistics
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Preface

One in three children in Namibia grow up in households that are poor. Poverty has deep and long-lasting impacts on the lives and development of children in Namibia, especially their health and education. If poverty is not addressed at an early age it is being passed on from generation to generation.

The first step towards reducing child poverty is to understanding it. This report for the first time presents a child-focused analysis of the Namibia Household Income and Expenditure Survey (NHIES 2009/10). It provides an overview of the extent of child poverty across Namibia. Based on this, the report analyses the family background of poor children and which children are at the highest risk of growing up in poverty. Monetary poverty often goes along with deprivations in other dimensions. The report, therefore, examines how many children are poor not only in terms of their consumption but also in terms of their access to durable goods, as well as water, sanitation and other utilities.

Social protection is an important measure to reduce poverty among children, as well as the general population. This report assesses the effectiveness of social grants such as the old age pension and child maintenance grants in reducing child poverty. It then simulates some options for expanding child welfare grants to reach the larger number of poor and vulnerable children and the impact this would have on the living conditions of their families.

The analysis of this report was carried out by the 2009/10 NHIES team from the Namibia Statistics Agency (NSA) with technical assistance in analysis and report writing from Prof Servaas van der Berg, Dr Carlos da Maia and Cobus Burger (all Stellenbosch University, South Africa) and Petra Hoelscher (UNICEF Namibia). Funding for the preparation of the report was made available by UNICEF Namibia.

I would like to thank all the above mentioned, including the Government of the Republic of Namibia, for making funding available to enable the Namibia Statistics Agency to collect relevant, quality and timely statistics that are needed for informed and evidence-based decision making.

We are confident that this report will inform the efforts of Government to address child poverty in Namibia.



John Steytler
Statistician-General

Technical Terms

Poverty Measurements

Poverty is defined as 'consumption poverty'.

Survey respondents have been completing diaries for some time, noting down both their incomes (work, gifts, remittances etc.) and everything they consume or buy. This includes homegrown food or gifts. To see if a household is poor, all the consumed items are translated into monetary values. If the total consumption of a household is below a certain threshold, they are considered poor.

The poverty line in Namibia for 2009/10 is N\$ 3,330.48 per year for extreme poverty and N\$ 4,535.52 for poverty. These values are per 'adult equivalent'. This means that each adult above age 16 is counted fully – if there are three adults in the household their poverty line would be at 3 times N\$ 4,535.52. Children are not counted fully as it is assumed that they need less than adults. The poverty line for young children up to age 5 is 50% of the adult poverty line and for children between age 5 and 16 the poverty line is 75% of the adult poverty line.

Poverty rate

This is the 'poverty rate' – the percentage of the population living in households below the poverty line. The child poverty rate points to the percentage of all children living in households below the poverty line.

Poverty gap

The poverty gap shows how poor the poor actually are, how far away they are from the poverty line. The smaller the figure, the less severe their poverty.

Poverty severity

The poverty severity measure focuses on the poorest. The larger this figure is, the more people are in very deep poverty.



Introduction

Children are more likely to live in poverty than adults. Households fall into poverty if their income is too small to care for everybody in the household or if one or more adults have to stay home to care for children, elderly or other family members.

Children, especially those that are below school age, live in large families or with pensioners, are therefore at a higher risk of growing up poor.

Poverty has long term impacts on children, especially if poverty starts at an early age or persists over several years. These impacts include a higher risk of low birth weight and child mortality, stunting, and poor education outcomes.

Poverty can impact on children's emotional and psychosocial well-being as well. The daily struggle to make ends meet can increase stress and tension within the household.

Many children are separated from their parents because of death, divorce or because they are left behind with relatives as parents look for employment in other parts of the country. A recent qualitative assessment of the effectiveness of the social protection system in Namibia¹ also shows the difficulties of poor children to access basic services such as health care and education and frequent experiences of exclusion and humiliation, for example if they are unable to pay the School Development Fund.

Against this background, poor children are likely to become poor adults, again passing on poverty to the next generation.

Child poverty in Namibia needs to be addressed immediately if the country is to achieve its Vision 2030.

This assessment of the National Household Income and Expenditure Survey 2009/10 provides the evidence on the extent of child poverty, the children who are most likely to be poor and the impacts the social grants have on reducing child poverty. It then provides some options for strengthening the child welfare grants to become more effective in reducing child poverty rates. In the context of the report children are defined as the population below age 16.

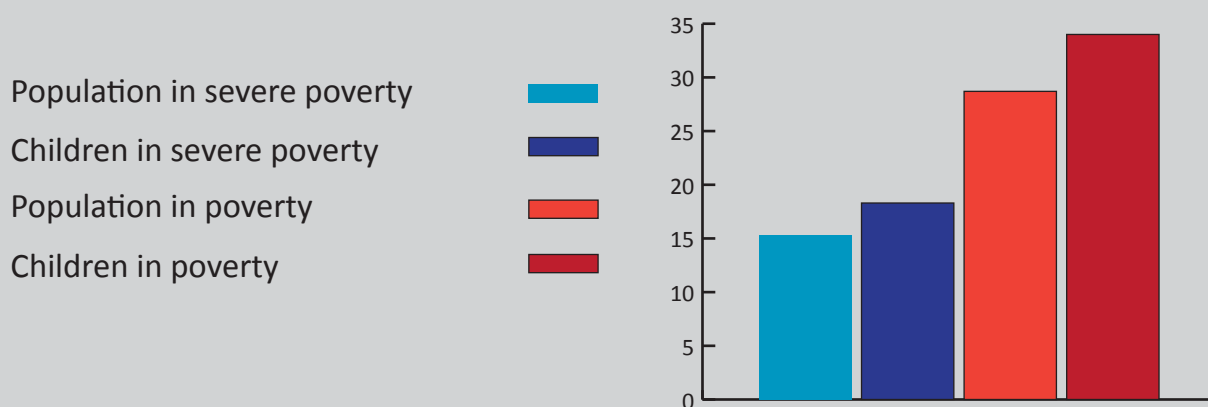
Although poverty is more than simply the lack of sufficient money, it is still useful to measure such poverty in money terms. To do so requires using one or more poverty lines: in Namibia, the severe poverty line is measured as being an income of N\$3,330.48 per year or less per adult equivalent, which is based on the cost of meeting food as well as some non-food needs. The upper poverty line, for its part, is measured as an income of N\$4,535.52 per year, per adult equivalent.

How widespread is child poverty in Namibia?

Children are worse off in terms of what they use or consume than adult Namibians.

From the graph below it can be seen that while 15.3% of the population is in severe poverty, 18.3% of children are in severe poverty. Furthermore, while 28.7% of the entire population finds itself below upper poverty line. This is true for 34% of children.

Graph 1: Child poverty in Namibia



The poverty lines used in Namibia are relatively low when compared to those used in other middle-income countries.

For this reason, a third, higher poverty line (income of N\$6,803.28 per year) is introduced to capture those at risk of falling into poverty.

Setting this third poverty line reflects that Namibia is an upper-middle income country and should be looking beyond meeting only the most basic food and other material needs of its population. It has to look at ways and means of satisfying needs at higher levels.

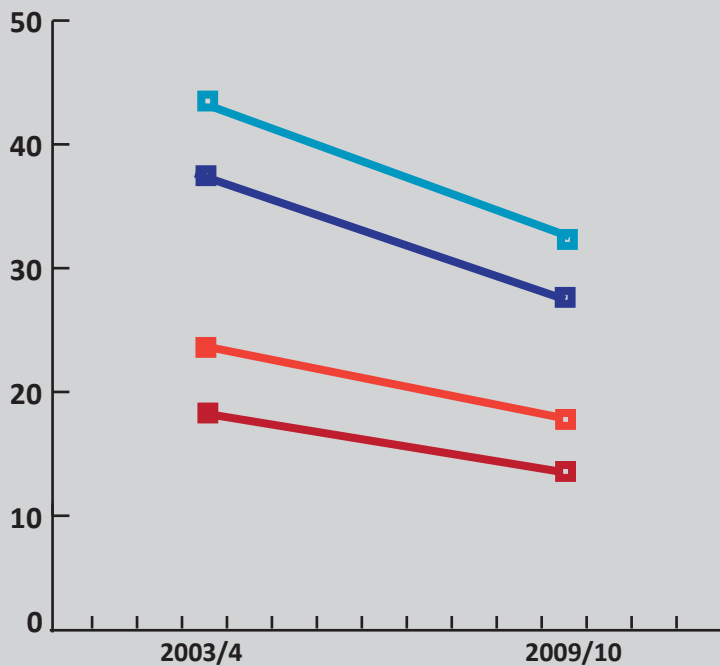
Table 1: Poverty rates across different poverty lines – Children and total population

	Severe poverty		Poverty		Vulnerability	
	Poverty rate	Poverty gap	Poverty rate	Poverty gap	Poverty rate	Poverty gap
Total population	15.3	4.2	28.7	8.8	48.4	19.1
Children	18.3	4.9	34.0	10.5	55.7	22.4

On the other hand, Ohangwena, which has lower poverty rates on both poverty lines than the Namibian average, has more children vulnerable to poverty than Namibia as a whole.

Graph 2 below shows that the poverty rate, at both the poverty and extreme poverty lines, has declined overall since the previous Namibian Household Income and Expenditure Survey (NHIES 2003/4). Amongst children the decline was even a little sharper. However, poverty and child poverty in particular, remains alarmingly high.

Graph 2: Child poverty trends 2003/4 - 2009/10



Child poverty ■
General poverty ■
Severe child poverty ■
Severe poverty ■

Setting the poverty line higher reduces the focus on the very poorest.

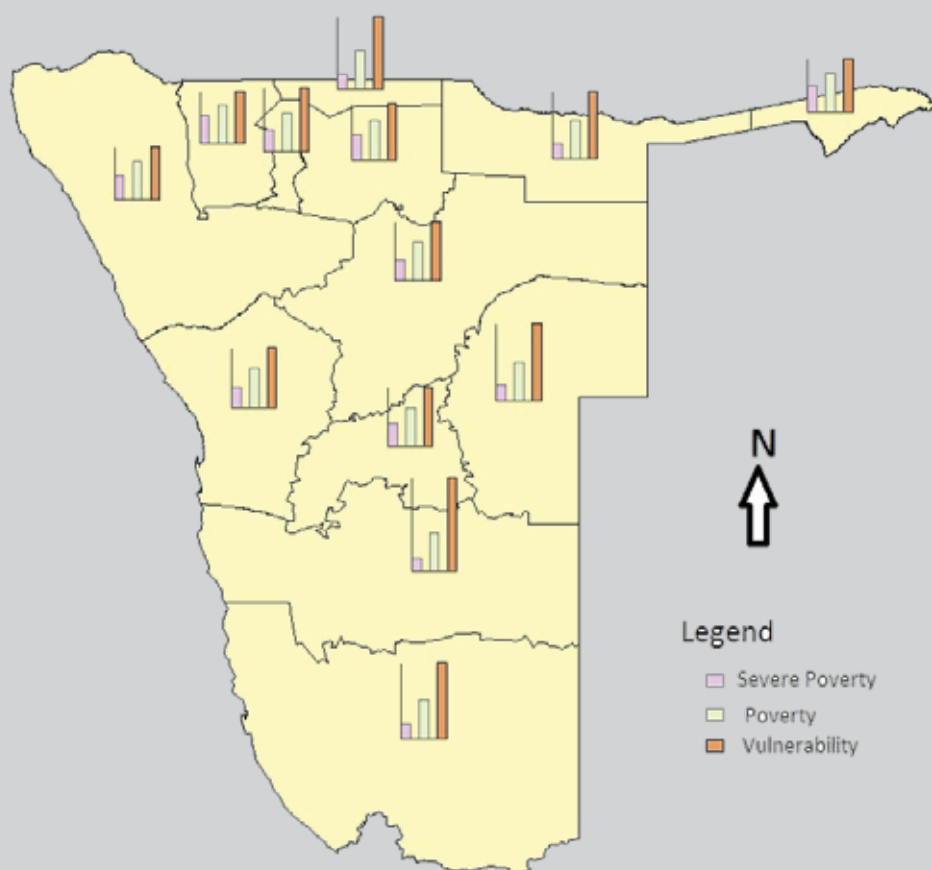
For instance, if the severe poverty line is used, Kavango and Caprivi have about the same levels of child poverty in terms of the child poverty rate, but Kavango has far more child poverty when the upper poverty line is used (see Table 2).

Unless indicated otherwise this report uses the upper poverty line.

The level at which the poverty line is set is important for determining the level of poverty across the regions, so even though the use of more poverty sensitive measures can draw greater attention to the very poorest, in reality, policy-makers pay far more attention to the upper poverty line as shown in Table 2 as it better reflects the reality of poverty in Namibia.

The use of an adult equivalence scale to measure poverty tends to underestimate child poverty. Children are assumed to have less needs in terms of food, clothing and other consumption than adults when it is determined whether a household is poor or not. The decision to use a poverty line based on adult-equivalent consumption rather than individual consumption (per capita) means that a smaller weight is given to children.

Graph 3: Child poverty by region for different poverty lines



**Table 2: Poverty rates across different poverty lines per region
Children and total population**

Age group	Severe Poverty		Poverty		Vulnerability	
	All ages	Children	All ages	Children	All ages	Children
Namibia	15.3	18.3	28.7	34.0	48.4	55.7
Caprivi	35.2	37.9	50.2	53.2	69.3	72.2
Erongo	2.9	3.8	7.1	9.8	15.4	18.3
Hardap	15.1	17.8	26.0	31.3	44.0	51.3
Karas	16.8	22.4	26.8	34.8	41.3	49.9
Kavango	34.6	37.4	55.2	59.5	77.2	81.4
Khomas	4.0	5.7	10.7	14.4	21.0	25.3
Kunene	15.9	19.1	30.2	35.8	48.2	54.8
Ohangwena	11.9	12.3	30.1	30.4	58.9	60.6
Omaheke	19.0	21.7	31.1	37.0	48.9	55.7
Omusati	7.3	8.0	19.1	22.1	49.4	54.1
Oshana	7.2	8.5	19.4	22.6	38.8	44.2
Oshikoto	21.8	24.5	44.2	48.7	69.7	75.2
Otjozondjupa	22.2	27.5	33.7	39.7	48.3	54.8
Urban	7.0	9.4	14.6	18.6	24.9	29.7
Rural	20.4	22.4	37.4	41.1	62.8	67.7

In Namibia, children up to 5 years were considered to require only half as much as adults in terms of consumption needs, and children 6-15 years only three-quarters as much. This means that a household consisting of six adult members would have been considered poor if its consumption fell below about N\$27,210 per year, while a household containing two adults, two young children below 6 and two other children below 16 would not have been considered poor unless their consumption was below N\$20,410.

Using the adult equivalence scale would always show fewer children in poverty than using per capita income, thus turning some of the focus away from the problem of poverty amongst children.

If we define a per capita poverty line in a way that would keep the overall poverty rate the same, a larger proportion of the poor would be children. For young children aged 0-5, the increase is proportionally greater, as their share among the poor would rise from 18.6% to 20.4%.

Table 3: Poverty rates using per adult equivalent and per capita consumption

Age	Adult equivalent measure			Per capita measure		
	Poverty rate	Population share	Poverty share	Poverty rate	Population share	Poverty share
0 – 5	34.1	15.7	18.6	37.4	15.7	20.4
6 – 15	34.0	23.7	28.0	34.7	23.7	28.7
16+	25.3	60.6	53.4	24.2	60.6	50.9
0 – 15	34.0	39.4	46.6	35.8	39.4	49.1
16+	25.3	60.6	53.4	24.2	60.6	50.9
All ages	28.7	100	100	28.7	100	100

Which children are poor?

Table 4 and 5 show a profile of child poverty highlighting which groups of children are at a particularly high risk of being poor as well as where the highest shares of poor children can be found.

Children are at a higher risk of being poor if they are in a household

- with young children
- with four or more children
- that is headed by a female
- with a caregiver who is divorced or separated
- with orphans
- with no working adult in the house old
- in which the female caregiver has no or only primary education
- that speaks Khoisan, Caprivi languages, Rukavango or Nama/ Damara.

While all these factors increase the risks of children being poor, the majority of poor children live in households

- with young children
- with four or more children
- with four or more children
- without orphans
- with caregivers that are married or in a consensual union
- with one or more working adults
- in which the female caregiver has at least secondary education
- that speaks Oshiwambo or Rukavango
- in Kavango, Caprivi or Oshikoto.



The results show that child poverty is not confined to specific risk groups but remains a mainstream problem in Namibia.

Table 4: Child poverty and family composition

	Child poverty (%) lower poverty line	Child poverty (%) upper poverty line	Share of poor children (%) upper poverty line	Share of all children (%)
Gender of Head of Household:				
Male	16.8	32.3	49.2	51.9
Female	20.0	36.1	52.8	48.1
Family Type				
Never married	16.5	30.3	13.9	15.7
Married/consensual union	16.5	31.2	55.7	60.8
Separated / divorced	24.2	48.2	8.2	5.8
Widowed	24.5	42.7	22.2	17.7
Age of Youngest Child – Grouped				
0	23.3	39.8	27.0	23.1
1–4	19.5	36.8	54.4	50.3
5–8	13.9	28.0	13.5	16.4
9–12	9.0	17.4	3.8	7.5
13–15	5.7	15.4	1.2	2.7
Number of Children in Household				
1	5.3	13.6	4.0	9.9
2	8.8	20.7	11.3	18.6
3	13.3	27.2	17.3	21.6
4	21.2	40.6	21.5	18.0
5 +	29.3	49.0	46.0	31.9
Number of Orphan Children in Household (one or both parents dead)				
0	6.3	31.0	58.3	63.9
1+	21.9	39.3	41.7	36.1
Total	18.3	34.0	100	100

Table 5: Child poverty and family characteristics

	Child poverty (%) lower poverty line	Child poverty (%) upper poverty line	Share of poor children (%) upper poverty line	Share of all children (%)
Number of Working Adults (LFS definition)				
0	19.8	37.6	26.3	23.8
1	13.9	29.2	27.9	32.5
2+	20.7	35.6	45.7	43.7
Highest Educational Level Among Females (16–59) in the Household				
No formal education	34.2	57.7	11.1	6.6
Primary education	31.2	52.3	32.2	21.1
Secondary education	15.1	29.9	56.6	64.9
Tertiary/vocational education	0.1	0.9	0.2	7.4
Language of head of household				
Khoisan	51.1	72.7	3.1	1.4
Caprivi languages	32.8	47.6	6.8	4.9
Otjiherero	13.9	25.5	6.0	8.0
Rukavango	37.0	58.5	29.1	16.9
Nama/Damara	24.8	38.9	13.6	11.8
Oshiwambo	10.8	27.3	39.4	49.0
Setswana	7.8	15.6	0.1	0.2
Afrikaans	3.9	9.3	1.6	5.9
German	0.0	0.0	0.0	0.2
English	0.0	0.0	0.0	1.0
Other European	17.0	17.0	0.2	0.5
Other African	22.7	24.6	0.2	0.2
Other Languages	0.0	0.0	0.0	0.0
Total	18.3	34.0	100	100

Child poverty across different dimensions

This section provides a multi-dimensional analysis of child poverty.

It brings together consumption poverty as discussed above, material deprivation and deprivation of utilities.

Tables 6 and 7 below show those households that do not have access to material goods such as:

- televisions,
- radios,
- refrigerators,
- telephones/cell phones,
- stoves (gas or electric),
- cars,
- bicycles.

Large majorities of children find themselves in households lacking most of these items, apart from a radio and a telephone or cell phone.

Only 32.3% of poor children are in households that do not have a telephone or cell phone, proof of the rapid growth of cell phones since 2003/4, when nearly all poor children and 73% of all children were in households that did not have telephones or cell phones.

There has been some improvement since the previous survey in access to most of these material items: fewer children today lack access to a television, a refrigerator, a gas or electric stove, and even a motor vehicle, even though all these items are lacking for most children.

Overall, 13.7% of all children living in poor households lack all seven items, while almost three in four children lack five or more.

13.7%
of poor
children lack
all durable
goods



Table 6: Material deprivation – children in households lacking durable goods

Deprivation Item	Children (%)		Poor children (%)	Non-poor children (%)
	2003/4	2009/10	2009/10	2009/10
Radio	26.6	26.0	35.5	21.1
Television	76.0	67.4	88.1	56.6
Refrigerator	78.0	71.3	92.2	60.5
Telephone/cell phone	73.0	18.6	32.3	11.5
Stove (gas or electric)	68.3	59.4	82.3	47.6
Motor vehicle	83.7	81.3	97.4	72.9
Bicycle	82.7	82.3	87.8	79.4
All items	...	7.4	13.7	4.2

Table 7: Severity of material deprivation

Number of items lacking	Children (%)	Poor children (%)	Non-poor children (%)
0	4.0	0.0	6.1
1	8.4	1.1	12.2
2	12.7	4.2	17.1
3	10.4	5.9	12.7
4	14.4	13.2	15.0
5	24.5	31.9	20.7
6	18.1	30.0	12.0
7	7.4	13.7	4.2
Total	100	100	100

Although there has been some limited improvement since the last survey, deprivation of children in terms of their households lacking access to clean water, improved sanitation, electricity and safe heating, is still widespread (Table 8).

As many as 80.7% of poor children are in households that do not have access to an improved source of drinking water; 88.7% have no access to improved sanitation; 87.6% have no electricity, even for lighting purposes, and 76.6% use wood, coal or dung for heating.

It is worth noting that such utility deprivation is also surprisingly high amongst non-poor children with rates of more than 50% for each utility.

Table 8: Deprivation of utilities – children in households lacking access to utilities

Utility lacking	Children (%)		Poor children (%)	Non-poor children (%)
	2003/4	2009/10	2009/10	2009/10
Improved source of drinking water	64.5	61.9	80.7	52.2
Improved sanitation	72.5	69.0	88.7	58.8
Electricity	74.5	68.8	87.6	59.1
Modern heating source	59.5	61.5	76.6	53.7
All utilities	..	47.3	65.3	38.0

Table 9 below shows that almost half of all children, 65% of poor children, lack all four utilities. The high levels of deprivation, sanitation and clean water are of great concern, given the implications these have for the health of children.

Table 9: Severity of utility deprivation

Number of utilities lacking	Per cent children	Per cent poor children	Per cent non-poor children
0	22.3	5.2	31.2
1	5.9	4.1	5.3
2	8.7	8.0	9.1
3	16.3	17.4	15.8
4	47.3	65.3	38.0
Total	100	100	100

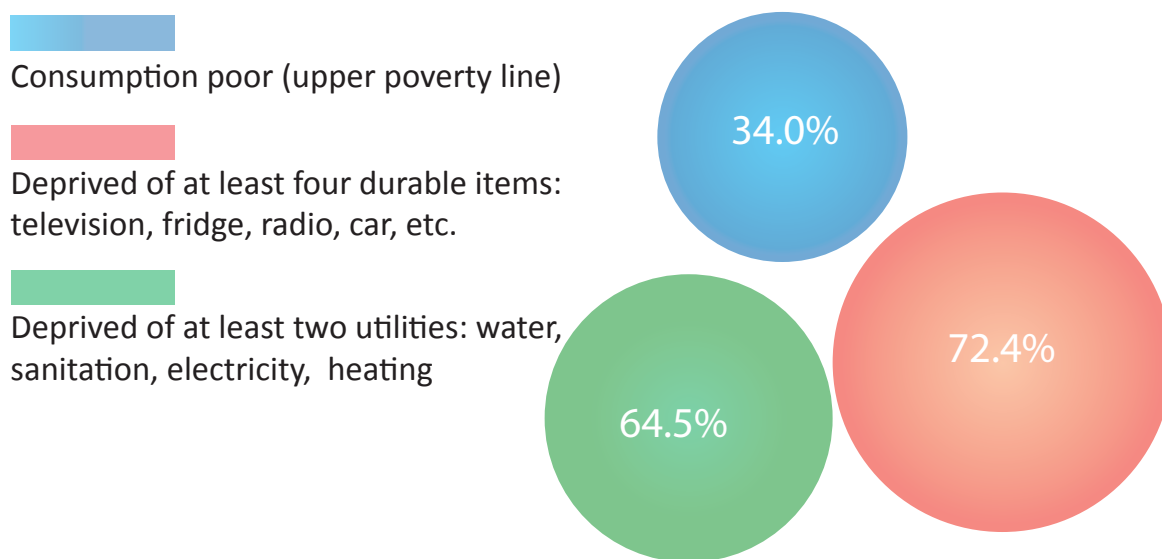
88.7%
of
poor children
have no access
to improved
sanitation



Graph 4A gives an overview of the percentage of children that can be considered poor on each of the three dimensions: living below the poverty line, lacking at least four durable items and lacking at least two utilities.

Graph 4B shows how many children are deprived on one or more of the three dimensions. Almost two-thirds of all children are deprived on at least two of the three dimensions. Only 22.3% are not experiencing any deprivation.

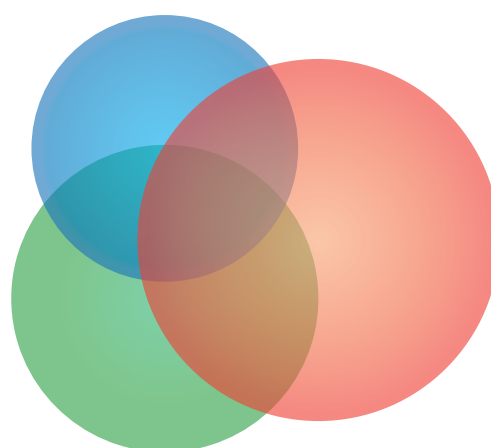
Graph 4A: Child poverty across different dimension



Graph 4B: Multidimensional child poverty

Children (%)

No poverty	22.3
At least one	77.4
At least two	64.3
All three	29.0



Social grants and child poverty

Social grants play an important role as a means of providing social protection against poverty and vulnerability.

Namibia is one of the few countries in Africa that has a well-established and long functioning social grant system, though the quantity of such grants is still relatively low.

A previous analysis of the impacts of social grants (NHIES 2003/4) showed that these social grants already have had some effect on reducing poverty.

Table 8 below shows the proportion of children in households that receive each of the major grants. It is clear that the old age pension supports the largest number of children by far.

18.2% of all children, and 22.1% of poor children, are in households where there is a person receiving a pension.

This is closely followed by child maintenance or foster care grants, with 9.6% of children living in households receiving this grant. In terms of the total numbers, 146,189 children are in households that receive pensions, and 77,475 in households that receive child maintenance or foster care grants.

The survey does, however, not show the number of children who are getting the grants, only whether such grants are received within a household and also the amount respondents say they receive.

According to administrative data, there were 110,639 people who received child maintenance and foster care grants in December 2009.

The old age pension is a universal grant for persons above the age of 60, while child welfare grants are primarily targeted at orphans and some other groups of vulnerable children, such as children with disability. As such they are not designed as poverty reduction too. This is reflected in Table 11 that shows relatively little difference in the numbers of poor and non-poor children in households receiving social grants.

However, it is nevertheless true that the child poverty rate is higher in those households receiving each of the grants except for the special disabled grant, than in households not receiving any grants, as Table 12 shows.

22%
of poor
children
are in
pensioner
households

Table 11: Children in households receiving social grants

	Children (%)	Poor children (%)
Old age pension	18.2	22.1
Disability pension	4.7	5.9
Child maintenance/foster care grants	9.6	10.5
Special maintenance grant (disabled under 16)	1.3	1.0
War veterans grant	1.4	1.6



Table 12: Child poverty rates for households receiving and those not receiving social grants

Social grants	Child poverty rate (%)		Child poverty gap (%)	
	Receiving grants	Not receiving grants	Receiving grants	Not receiving grants
Old age pension	41.4	32.4	12.7	10.0
Disability pension	42.6	33.6	13.5	10.3
Child maintenance/foster care grants	37.0	33.7	9.4	10.6
Special maintenance grant (disabled < 16)	27.4	34.1	6.2	10.5
War veterans grant	41.1	33.9	12.9	10.4
Total child poverty rate	34.0		10.5	

Table 12 shows what child poverty would have been if no grants were received. As expected, it appears that the largest grant, the old age pension, has had the largest impact on reducing child poverty. If the old age pension grant was stopped and all other grants were received, the child poverty rate would have been 38.8% rather than 34.0%, a moderate effect. If the child maintenance/foster care grants only had been taken away, child poverty would have been only a little higher at 35.4% than its actual level of 34.0%. Since the NHIES 2009/10 was undertaken, there have been some changes in the value of grants. Most importantly, the child welfare grants were equalised for all eligible children in the household. Previously, child welfare grants were N\$200 for the first child and N\$100 for each subsequent child up to a maximum of six children in a household. Grant values are now N\$200 for all children in the household who qualify for grants. This substantially increased the amounts received in many poor households. It can be assumed that after this change child welfare grants have become more effective in reducing child poverty.

If all grants had been taken away, poverty would have been at 40.8%, showing that even at these modest grant amounts, social grants have a substantial effect on reducing child poverty. The effect on poverty gaps, the depth of poverty, would have been even greater. The grants have reduced the poverty gap from the 17.5% it would otherwise have been to its actual level of 10.5%.

Table 13: Child poverty rates with and without social grants

Social grants	Child poverty rate (%)		Child poverty gap (%)	
	with grant	without grant	with grant	without grant
Old age pension	34.0	38.8	10.5	14.8
Disability pension	34.0	34.8	10.5	11.1
Child maintenance/foster care grants	34.0	35.4	10.5	11.5
Special maintenance grant (disabled under 16)	34.0	34.1	10.5	10.9
War veterans grant	34.0	34.2	10.5	10.7
All grants	34.0	40.8	10.5	17.5

Even though the child poverty reduction impact of social grants overall is only moderate, they make a big difference in the lives of children and families receiving them. If we only look at those households receiving grants we see that child poverty rates are higher than in the total population (Table 14).

If these households would not receive any grants, the poverty rate among them would be 61.9% rather than the 38.9% currently experienced in households receiving grants. The largest difference is made by the old age pensions, but even the much lower child welfare grant improves living standards substantially.

Table 14: Child poverty rates with and without social grants – for those in receipt of respective grants

Social grants	Child poverty rate (%)		Child poverty gap (%)	
	with grant	without grant	with grant	without grant
Old age pension	41.4	67.6	12.7	36.6
Disability pension	42.6	58.8	13.5	27.6
Child maintenance/foster care grants	37.0	51.4	9.4	19.8
Special maintenance grant (disabled under 16)	27.4	34.3	6.2	42.7
War veterans grant	41.1	56.2	12.9	30.4
Any grant	38.9	61.9	11.5	35.1



Could child welfare grants become more effective?

Analysis of child grants in other developing and middle income countries show that they have impacts on children's development well beyond their monetary value.

The Child Support Grant in South Africa, for instance, is a generously means-tested grant that has been gradually expanded starting from young children. The grants have led to a reduction in stunting and children were less likely to fall ill. Children receiving grants from birth completed more grades at school, performed better and were less likely to be absent from school. Impacts were greater the earlier children were receiving grants.

Against this background, it is possible to carry out a small simulation to ask what the effect would be on child poverty if child welfare grants were extended based on families' financial situation rather than based on current criteria.

Currently child maintenance grants are given based on the following eligibility criteria:

- eligible children are those aged below 18 years, with the possibility of extending it to 21 years if they are still attending secondary school;
- the applicant should be a biological parent whose spouse is receiving an old age or disability grant, or has passed away, or is serving a prison sentence of at least six months;
- restricted to applicants with monthly incomes of less than N\$1,000.

Foster care grants are mainly received by double orphans and require a court order.

Special maintenance grants are determined based on a medical assessment of the child. This analysis therefore focuses only on the child maintenance grant.

For the purposes of this analysis it is assumed that the applicant (household) receives N\$200 for each child that meets the requirements living in the household. For instance, a poor household with one eligible child would get N\$2,400 per year and one with three eligible children N\$7,200.

For the first simulation all children below the age of 18 in households are eligible for the grants if they live in a household with consumption below a means-test that is just above the poverty line. The means-test is set at the 40th percentile of per adult equivalent expenditure per year, which corresponds to N\$ 5,672.75.

The effect of such an expanded child maintenance grant on severe poverty would be dramatic, as Tables 15 and 16 show. It would reduce the severe poverty rate amongst children from 18.2% to 3.2%, with the largest impact occurring in rural areas. Here, severe child poverty would decline from 22.3% to 3.3%.

Severe child poverty would almost be wiped out in regions such Omusati and Oshana. Poor children would also be much less poor as the poverty gap would fall from 4.9% to 0.5%.

Taking the upper poverty line, child poverty rates would fall by more than 20% from 33.9% to 13.1%, with the child poverty gap reduced from to 10.5% to 2.3% (Table 16).

Table 15: Severe child poverty – simulated impact of child welfare grant expansion

	Base case		After extension of child welfare grants	
	Child poverty rate (%)	Child poverty gap (%)	Child poverty rate (%)	Child poverty gap (%)
Namibia	18.2	4.9	3.2	0.5
Caprivi	38.7	11.5	8.1	1.1
Erongo	3.9	1.0	0.5	0.0
Hardap	17.8	5.0	3.2	0.6
Karas	23.1	6.5	4.8	1.2
Kavango	37.0	10.5	5.9	0.7
Khomas	5.6	1.6	1.7	0.2
Kunene	18.7	6.4	3.7	0.6
Ohangwena	12.4	2.4	1.2	0.1
Omaheke	21.4	6.7	8.2	1.2
Omusati	7.9	1.3	0.2	0.0
Oshana	8.4	1.9	1.5	0.3
Oshikoto	24.7	5.1	1.6	0.3
Otjozondjupa	27.2	10.6	9.9	1.9
Urban	9.3	3.0	2.9	0.5
Rural	22.3	5.8	3.3	0.5



Table 16: Child poverty – simulated impact of child welfare grant expansion

	Base case		After extension of child welfare grants	
	Child poverty rate (%)	Child poverty gap (%)	Child poverty rate (%)	Child poverty gap (%)
Namibia	33.9	10.5	13.1	2.3
Caprivi	53.7	20.9	31.7	5.9
Erongo	10.0	2.6	3.3	0.5
Hardap	31.2	10.2	14.6	2.5
Karas	35.2	12.5	16.3	3.3
Kavango	59.1	20.7	26.8	4.8
Khomas	14.2	3.5	5.1	1.0
Kunene	35.0	11.2	14.4	2.9
Ohangwena	30.5	7.6	7.7	1.0
Omaheke	36.4	13.3	15.2	3.8
Omusati	21.9	4.6	4.8	0.5
Oshana	22.5	5.3	6.2	1.1
Oshikoto	48.7	13.2	14.6	2.1
Otjozondjupa	39.5	16.8	21.3	5.4
Urban	18.6	5.8	7.6	1.6
Rural	40.9	12.6	15.7	2.7

Naturally, such a large expansion would have implications for the national budget. Excluding the costs of administering the grant, or the total costs of reaching the 420,185 children who would qualify, the additional cost to the national budget would have been approximately N\$975 million in 2009/10. This amount - less than a billion additional dollars – if spent on grants targeted at children, could substantially reduce poverty amongst children. If this is combined with a strong push to improve access to utilities (clean water, sanitation, electricity and other sources of modern heating) that presently affect the conditions of so many children, it could make a great difference to the condition of children in Namibia.

However, the above simulation assumed that a means-test would be maintained at the 40th percentile of children. Administratively, this is difficult to do, as there are many households with similarly low incomes, some just above and some just below such a means-test, and Namibia is a society with much peasant agriculture, informal economic activity, vaguely defined household boundaries and pervasive remittances that makes means-testing extremely difficult.

Table 17 contains the results of another simulation exercise. In this case, it is first assumed that the current child grant system is abolished, leading to a fiscal savings of N\$135 million but increasing child poverty from 33.9% to 35.1%, a limited increase because child grants are currently limited in scope and poorly targeted.

If a new child grant of N\$200 per month were then to be introduced for all children under 5 (ages 0 to 4), the fiscal costs would have been N\$659 million, i.e. N\$624 million more than is currently spent.

The effect of such a grant, in addition to the abolition of the existing grant, would be to reduce child poverty to 28.4%, this reducing the number of children poverty at the upper-bound poverty level by almost 50,000.

The poverty effects would not be diminished if the grant only went to the poorest 80% or even only to the poorest 60% of children under 5, as those thereby excluded were not in poverty, but the fiscal costs would be reduced by about N\$130 million if the 20% of such children were excluded, or even N\$260 million less if the top 40% were excluded.

This would, however, require means testing, which is difficult and may also be associated with some additional costs. However, if the means-test is set relatively high, such as at the 80th percentile of children or household consumption of just over N\$76,000 per household per year, it would somewhat be easier to implement.

In the final column of Table 17, a variant of this second simulation is shown, whereby a grant goes to all children under 18. Naturally, the fiscal costs would be much higher at N\$2,190 million, as would the poverty impact. Whereas the universal grant to children under 5 would move almost 50,000 out of poverty, extending such a grant to the age of 17 would move another 137,000 children out of poverty. Once again, as for the previous version of this simulation, the poverty impact would remain the same if the grant was targeted such that the poorest 80% of households with children received the grant, or even if only the poorest 60% received the grant, because all the poor children would still benefit from the grant. However, in the case of the 80% grant, the fiscal costs would be reduced by N\$438 million to N\$1,752 million, and for the 60% grant the reduction would be by N\$876 million to N\$1,314 million.



Table 17: Child poverty rates - simulating effect of discontinuing current child welfare grants and then introducing a new grant for all children under 5 and under 18

	Base case		After discontinuing child welfare grants		After extension to all under 5 years		After extension to all under 18 years	
Number of poor children	306,246		317,115		256,784		119,406	
Number of Children in households receiving child maintenance grants	70,683		-		271,625		903,723	
Savings (N\$)	-		135,000,000		-		-	
Costs (N\$)	135,000,000		-		659,000,000		2,190,000,000	
Total number children (<18)			903,723					
	Child poverty rate (%)	Child poverty gap (%)	Child poverty rate (%)	Child poverty gap (%)	Child poverty rate (%)	Child poverty gap (%)	Child poverty rate (%)	Child poverty gap (%)
Regions								
Caprivi	53.7	20.9	53.7	21.6	48.6	16.6	31.7	6.0
Erongo	10.0	2.6	10.4	2.8	7.7	1.6	3.5	0.5
Hardap	31.2	10.2	33.0	11.3	27.9	8.3	15.0	2.6
Karas	35.2	12.5	35.6	13.2	31.1	9.4	16.3	3.3
Kavango	59.1	20.7	59.2	20.9	49.5	14.9	26.8	4.8
Khomas	14.2	3.5	14.5	3.7	10.9	2.6	5.1	1.0
Kunene	35.0	11.2	35.0	11.2	23.2	7.9	14.4	2.9
Ohangwena	30.5	7.6	33.1	9.3	26.0	6.3	7.8	1.5
Omaheke	36.4	13.3	37.1	13.5	32.6	9.6	15.4	3.8
Omusati	21.9	4.6	23.7	5.4	18.6	3.5	5.0	0.5
Oshana	22.5	5.3	26.4	6.8	20.3	4.8	6.5	1.2
Oshikoto	48.7	13.2	49.9	14.7	38.4	9.8	14.8	2.1
Otjozondjupa	39.5	16.8	39.7	16.9	34.2	11.8	21.5	5.5
Locations								
Urban	18.6	5.8	19.1	6.1	15.1	4.4	7.7	1.6
Rural	40.9	12.6	42.5	13.6	34.6	9.5	15.8	2.8
Namibia	33.9	10.5	35.1	11.3	28.4	7.9	13.2	2.4

It has also been suggested that the means-test for the child grant should be the same as for the veterans' pension, i.e. at a household consumption level (consumption being taken here as the best proxy for income in the survey) of N\$36,000 per household per year. This would imply that almost 470,000 children (52% of all children) would be eligible and that it would cost N\$1,080 million. The poverty rates would again be unaffected compared to the simulation shown in Table 14, as all households with children in poverty would already have received grants under that simulation.

Conclusion

From the above, it is evident that there is still widespread child poverty in Namibia, even when measured by a less strict yardstick in terms of the selected poverty lines, which are quite low for a middle income country. It is also apparent that other dimensions of poverty deprivation - in terms of lack of access to basic utilities such as clean water and sanitation or to basic consumer goods - is even more common than money-metric poverty. Thus an analysis was undertaken of the effect of the grants. This showed that the grant system as a whole, though still limited, is already making a notable contribution to ensuring that fewer Namibian children grow up in poverty. Simulations indicated that the costs of expanding the child grant system are substantial but not astronomical, and that such policy changes could substantially reduce child poverty. This would have beneficial effects that go far beyond simply assisting children to grow up in households with more money: it would improve child development, health and mental well-being, education and later also labour market prospects, and these benefits would be shared by a next generation.

There is a major trade-off that would have to be made though, between a child grant that is better targeted at the poor and would therefore cost less but would require strict implementation of a lower means-test - something that is difficult to accomplish in a country such as Namibia, where incomes are irregular and not readily determinable and administrative capacity is constrained - as against a less targeted and therefore more expensive grant that would also reach some who are not poor, but that would be administratively much easier to implement.



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