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Devising Social Protection Strategies for Namibia: Multi-dimensional Wealth, Jobs & Nutrition Index (MWJNI)

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About 18% of Namibians were living below the national poverty line of N\$520.8 in 2015/16 (NSA 2016). Unemployment, particularly amongst women and the youth, has been a serious challenge for the country. The 2016 Labour Force Survey estimated the country’s unemployment rate at 34%. With a Gini coefficient of 0.57, Namibia is estimated to be among the highest income inequality countries. Despite large-scale social sector expenditure, usage of cash transfers much needs to be attained. In this paper, we explore the multi-dimensional nature of poverty focusing on select dimensions of education, living standards, health & sanitation, nutrition, employment, and financial inclusion. The Alkire-Foster (AF) methodology is widely used for measuring multidimensional poverty (Alkire et al., 2015).

Based on the Foster-Greer-Thorbecke measures it involves counting the different types of deprivation that individuals at the same time witness and then used to construct a Multidimensional Wealth, Jobs & Nutrition Index (MWJNI). The major dimensions of education, health & nutrition, living standard, and economic activity receive a weight of 1/4. The dimension of economic activity, employment, and financial inclusion each with a weight of 1/8. The dimensions of health & nutrition have sub-dimensions on the intake of a diverse diet, status of chronic illness, type of toilet, and source of drinking water each with a weight of 1/16. The sub-dimensions for the living standards are flooring, cooking fuel, assets, and electricity again with a weight of 1/16 each. Education receives a weight of 1/4. Education, financial inclusion, the standard of living (electricity, cooking fuel, sanitation), and employment exhibited major deprivations overall and across regions. Rural multidimensional deprivation is more than urban deprivation across all regions using different poverty cut-offs as evident from MWJNI values and dominance analysis. Our robustness and consistency checks including the poverty cut-off analysis, dominance analysis, and spatial maps confirm the results of the analysis. Those who experience multidimensional poverty are deprived the most in the dimensions of electricity, cooking fuel, sanitation, and financial inclusion and the least for water and diet diversity.

Kavango is the worst-performing of all regions, and !Karas is the best. The average proportion of deprivations experienced by poor people and the corresponding dimensions are the highest in the following regions: Kunene (education), Oshana (nutrition), Kavango East and West (health), Omusati, Kavango East and West (sanitation), Kavango East and West (water), Kavango East and West (flooring), Omusati and Kavango East (cooking fuel), Omaheke (assets), Omusati and Kavango East (electricity), Omusati, Kavango East and West and Kunene (financial inclusion) and Kunene and Kavango East (unemployment). The most abundant factor of production that Namibia currently has is its land and labor assets. Any meaningful policy to reduce poverty on a sustainable basis and boost economic growth must begin to revolve around how to engage these two assets. The results from this analysis confront policymakers with clear options with regards to building human capital around her human and land resources and engaging financial inclusion that focuses on the excluded thereby encouraging the growth of MSMEs. Such policies will boost employment and output while reducing poverty and inequality.