

Consultancy. Report

The effectiveness and
efficiency of Universal
Basic Income in Namibia
to combat food insecurity
and malnutrition

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Agenda

- 1 Introduction
- 2 Theory and Key Debates of UBI
- 3 Case Studies
- 4 Challenges with Namibia's Current Welfare System
- 5 Can UBI create change?
- 6 How to implement UBI in Namibia
- 7 Conclusion

1

Introduction



Introduction

- 1.15 million people face acute food insecurity
- All regions of Namibia have reached or surpassed Crisis-level Food Insecurity
- Government social security benefits and humanitarian assistance have likely prevented further deterioration, but these are not enough
- Universal Basic Income (UBI) has been proposed as a potential social security measure to address Namibia's ongoing food security crisis.



UBI in Namibia

- **UBI consists of periodic, unconditional cash payments distributed to all individuals within a society, independent of means testing or employment status.**
- Namibia has prior experience with UBI through the 2008 Basic Income Grant (BIG) pilot project
- Monthly grant of NAD100 per person in the Otjivero-Omitara region



Research Questions and Methodology



1. How can UBI be effectively implemented for families and individuals experiencing food insecurity and malnutrition in Namibia?

2. What are the unmet needs in food security and nutrition that a UBI could address?


3. What are the appropriate timescales and payment amounts for unconditional grants, and how might these vary based on context?



 Desk Dive: Reviewed key literature

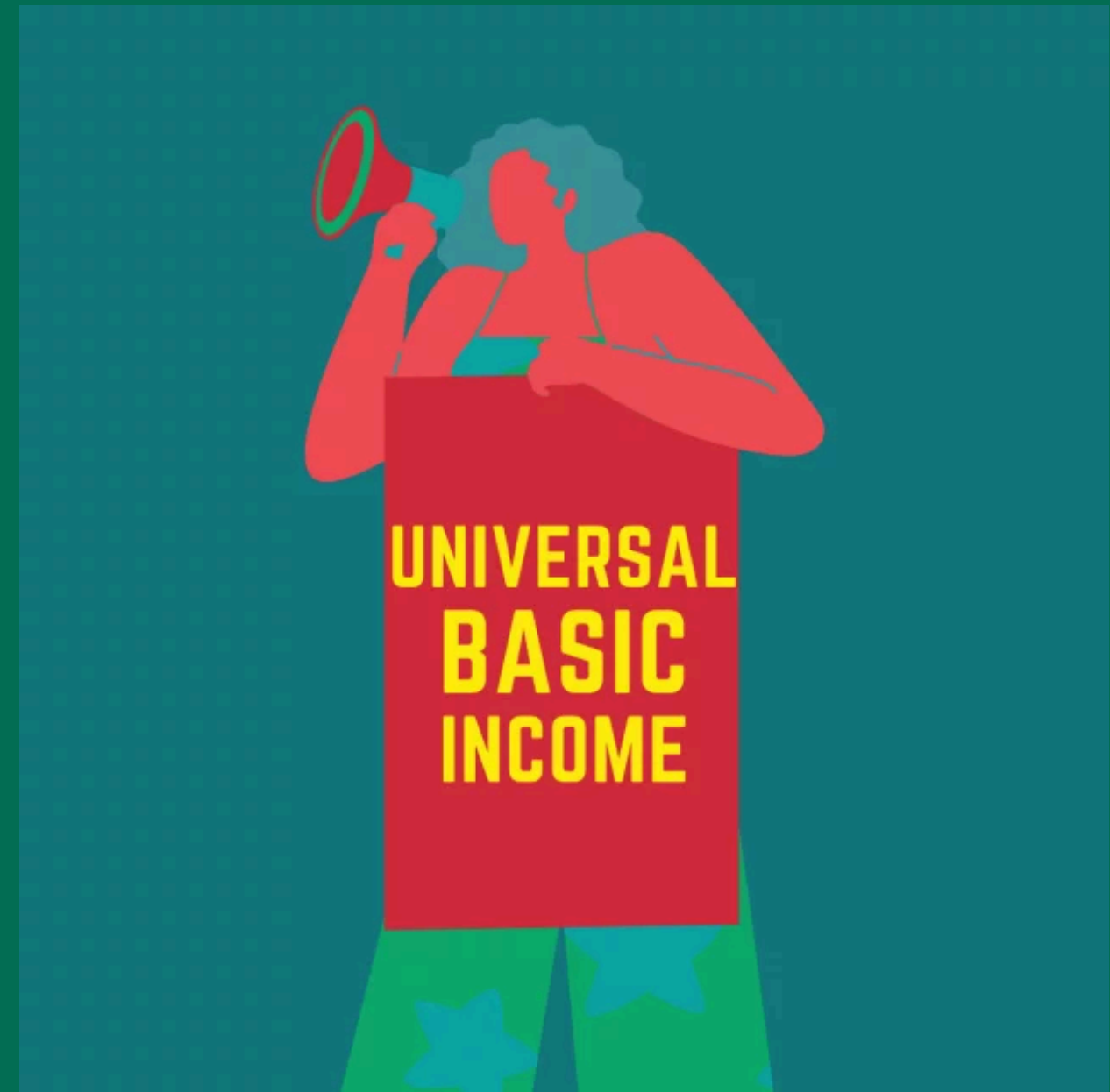
 Voices of Experience:
7 expert interviews

 From the Ground Up:
2 focus groups

 Goal: Understand the feasibility, impact, and lived realities of UBI in Namibia

2

Theory and Key Debates Of UBI



Links Between UBI, Poverty, and Food Security

- **Poverty and Food Insecurity** - are closely linked, with each reinforcing and perpetuating the other.
- **Poverty and UBI** - UBI raises the basic income of everyone to a level where they can meet basic needs.
- **UBI, Poverty, and Food Security** - with basic financial security provided, individuals are able to afford adequate nutrition, making them food secure.



Key Debates

Efficiency of UBI



UBI Critics:

Non-targetted nature

Everyone receives but not everyone needs



UBI is wasteful and financially inefficient



Targeted interventions like conditional cash transfers instead



UBI Supporters:

Reduces administrative inefficiency

Everyone receives so no need for costly beauracry



UBI therefore removes bureaucratic complexity



Financial efficiency has to be balanced with impact and effect

Key Debates

Effectiveness of UBI



UBI Critics:

Universality less effective than targeting those in poverty directly

Money should be focused on the poor



- Concerns over:
 - Dependency culture
 - Disincentive to work
 - Misuse of funds



UBI Supporters:

UBI is effective

It acts as a security net accounting for downward mobility and chronic uncertainty



- Additionally:
 - Greater effect on poverty
 - Reduction and food insecurity
 - Acts as a broad economic stimulus
 - Minimal evidence of misuse or labour disruptions

3

UBI Case Studies



A Lack and Inconsistency of Study

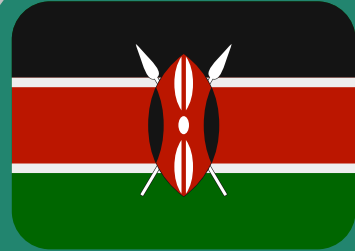
Completed Pilots on Unconditional Cash Transfers*

Location of Pilot	Universal?	Basic?	Long Term?	Reciepients
Eastern Band of Cherokee, USA	No	No	Yes	15,000
Madhya Pradesh, India	Yes	No	No	6,000
Seattle and Denver, USA	No	Yes	No	4,800
Gary, Indiana, USA	No	Yes	No	1,799
Manitoba, Canada	No	Yes	No	1,300
New Jersey, USA	No	Yes	No	1,216
Namibia	Yes	Yes	No	930
North Carolina & Rural Iowa, USA	No	Yes	No	809

No completed study on unconditional cash transfers meets all the criteria for what a UBI would look like.

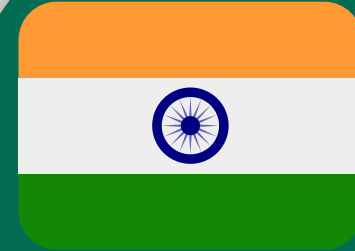
*From GiveDirectly^{xi}

Case Studies



GiveDirectly Kenya (2017- 2030)

- UBI
- 23,000 Participants
- Long-Term UBI Provision, Short-Term UBI Provision, and Lump Sum Provision
- Average Monthly Payment in USD - \$22.50 (per person)



Madhya Pradesh Pilot (2011-2012)

- UBI
- 6,000 Participants
- Unconditional Universal Payments
- Average Monthly Payment in USD - \$2.70 (per person)



Bolsa Família Program (2003-2021)

- Conditional Cash Transfers
- 46 Million Participants/Year
- Basic Benefit and Variable Benefit (Both Conditional)
- Average Monthly Payment in USD - \$50 (per family)

Case Study Comparison

Case Study Comparison	Variation in outcome	Kenya UBI, GiveDirectly 2017-2030	India, Madhya Pradesh, 2011-2012	Brazil Bolsa Família Conditional Cash Transfers, 2003-2021
	Food Security Outcomes	6-11% Increase in Food Consumption 15-25% Increase in Protein Consumption Improvement in Child Nutrition.	26% Increase in Food Security Within 6 Months 20% Decrease in Child Malnutrition	6% Increase in Weekly Food Intake 7.3% Increase in Fresh Foods and a 9.4% Increase in Caloric Intake No Change in Nutritional status.
	Poverty and Debt Outcomes	Reduction in Poverty - Qualitative Analysis Increase in Asset Ownership Increase in Savings/Debt Stabilisation	Reduction in Poverty - Qualitative Analysis 55% Reduction in Debt Compared to Control Villages	5.2% Reduction in Extreme Poverty Between 2002 and 2012 Reduced Reliance on Informal Loans
	Educational Outcomes	Increased Educational Spending Most Significant in Lump Sum Kenya Certificate of Primary Education Outcome Increase in Lump Sum	Reduced Dropout Rates Increased Attendance	4% Decrease in Secondary School Dropout Rate Increase in Attendance
	Economic Outcomes	Increased Wages 14% Increase in Self-Owned Enterprises 52% Increase in Enterprise Revenue	Increased Purchase of Agricultural Assets and Entrepreneurship	Reduction in Inequality - 0.591 in 2003 to 0.561 in 2009
	Health and Social Outcome	Qualitative Suggestions: Living Conditions Improved, Improved Mental Health, Decreased Household Violence	Increased Female Financial Autonomy 1% Decrease in Beneficiary Alcohol Consumption	Decrease in Vaccinatable Disease Mixed Result on Gendered Social Outcomes
	Employment Outcomes	Increase in Self-Employment Reduction in Exploitative Wage Agricultural Labour	Increase in Self-Employment (Usually Agricultural) Reduction in Exploitative Wage	Formal Employment rose 2.7% Between 2004 and 2007

Case Study Takeaways



UBI notably **improved food security**, nutrition and had significant impacts on poverty reduction



Short-term – UBI provided the **financial stability** required for individuals to service their immediate food needs



Long-term – UBI **changed financial behaviours** which promoted long-term financial security



UBI **increased local food production** and access due to increased agricultural self-employment and investment in higher output agricultural aids



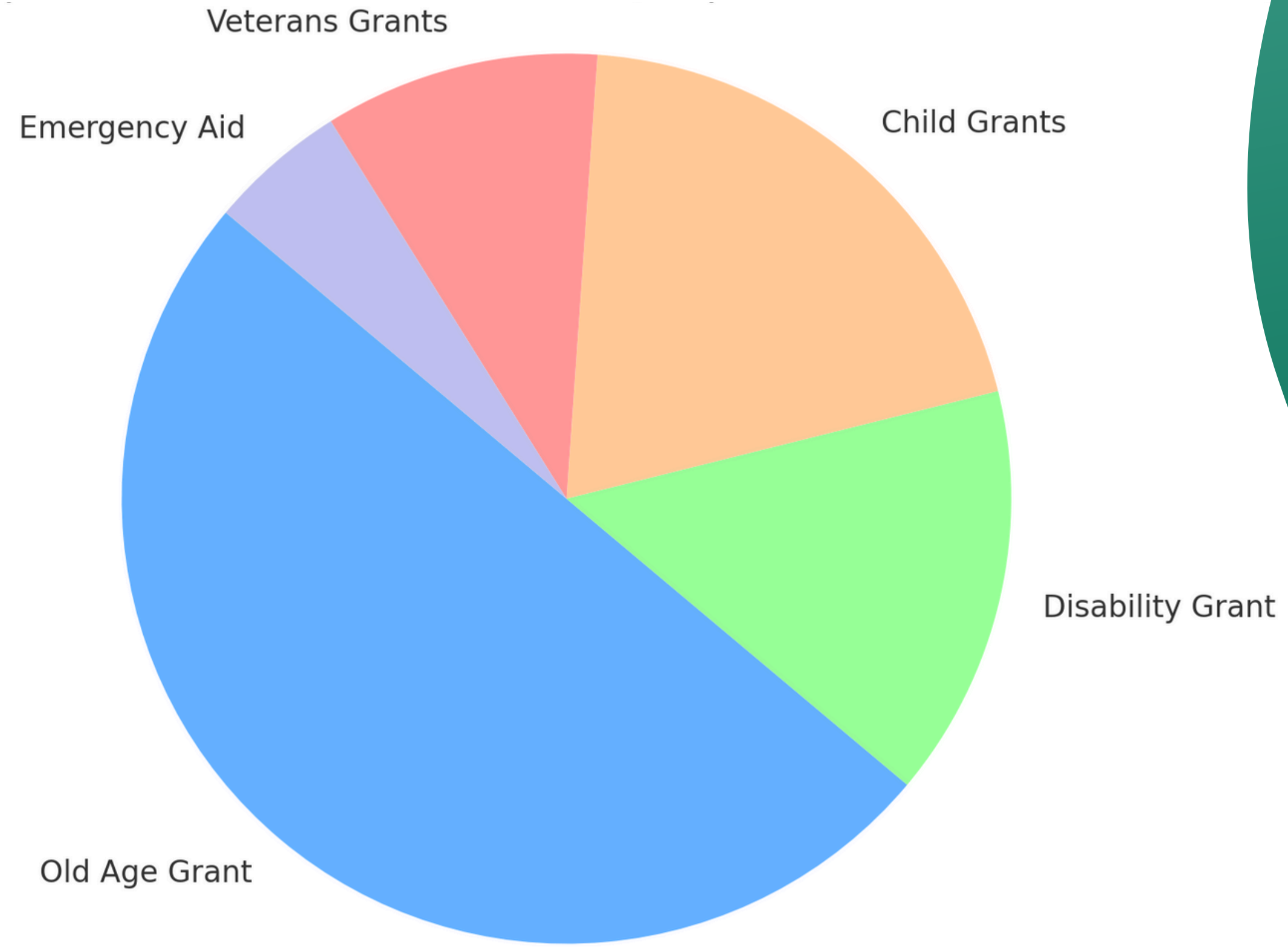
The impacts UBI had on food security, nutrition and poverty were larger than the impacts recorded in longer provisions of conditional cash transfers in Brazil

4

Challenges with Namibia's Current Welfare System



Namibia's current Welfare System



Main Types Of Namibia's Social Grants

Limitations of the Current Welfare System



**Administrative
Complexity
and High costs**



**Exclusion
and
Inclusion
Errors**

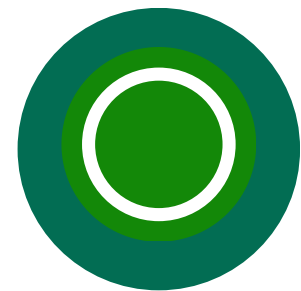


**Identification
Barriers and
Bureaucratic
Hurdles**

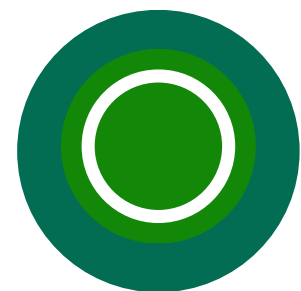


**Inadequate
response to
sudden
crises**

Administrative Complexity and High Costs



Fragmentation



Manual Processing



Regular Monitoring



UBI: Simplifies Delivery

- No means-testing = faster rollout
- Lower admin costs, fewer delays

"The process is just too slow. By the time you get approved, your situation has already changed. People cannot afford to wait months when they need help today."

– Interviewee

Exclusion and Inclusion Errors

- Misclassification
- Fluctuating income
- Corruption

*"(...) we know poverty is not static, right? You can be poor today, but it doesn't necessarily mean you will still be poor tomorrow."
– Interviewee*



Cuts out corruption and
favouritism



Everyone gets support —
no eligibility barriers

Identification Barriers and Bureaucratic Hurdles



Stringent identification requirements



Lack of identification in some communities



Slow moving bureaucracy



UBI: Minimal ID Requirements

- Can use mobile/self-registration
- Works even in rural and undocumented contexts

Inadequate response to sudden crises

Reactive, not resilient

Ad-hoc emergency budgets = no long-term planning

Rigid bureaucracy causes deadly delays



UBI advantage:
Always active – no need for new approvals

Supports people *before* systems catch up

Respects choice, empowers recovery, protects local markets



Crisis lessons:

- ✓ COVID-19 EIG provided effective relief and improved food security. Now a safety net needs to be institutionalised and extended.
- ✓ Near-universal Church-led drought relief programme in 2014 bypassed bureaucracy, delivered fast.

5

**Can UBI
Create
Change?**



UBI Can Create Change



Reduces Exclusion



Ensures Equitable Impact



Ensures a basic quality of life

Because UBI acts as a stable foundation, it is transformative as it breaks cycles of intergenerational poverty by allowing the poor to access education, entrepreneurship, and employment.



A comprehensive solution has never been more necessary, given CHRONIC UNCERTAINTY and regular periods of RAPID CHANGE

But.....



*Complementary infrastructure is required.
Includes healthcare, education, and taxation.*



6

Implimenting UBI in Namibia



Challenges Within the Policy Landscape



Concerns About the Term “Universal”

“You then have an aspect of wastefulness, for example, the likes of [name redacted] might not necessarily need that amount that is given, and therefore it could have been used better by a person who is more needy.”



Resistance to Systemic Change

“They are imposing their ideological model on a developing country to benefit. They don't have a lot of empathy with the way a developing country should be in charge of itself and have impeded it [their independence].”



Concerns About Achieving Specific Outcomes

“It is not enough to give cash to beneficiaries, without explaining, without giving some sort of education and some way of influencing behaviour change.”

Overcoming Challenges Within the Policy Landscape



Multi-stakeholder Task Force

"We notice that, when you give evidence... it becomes very easy for Cabinet members to understand and to be clear as to what they are signing into."



Gradual Approach to UBI

"I would much prefer to have a smaller amount given to everybody, individually, unconditionally, and then build it up as resources can be mobilized."

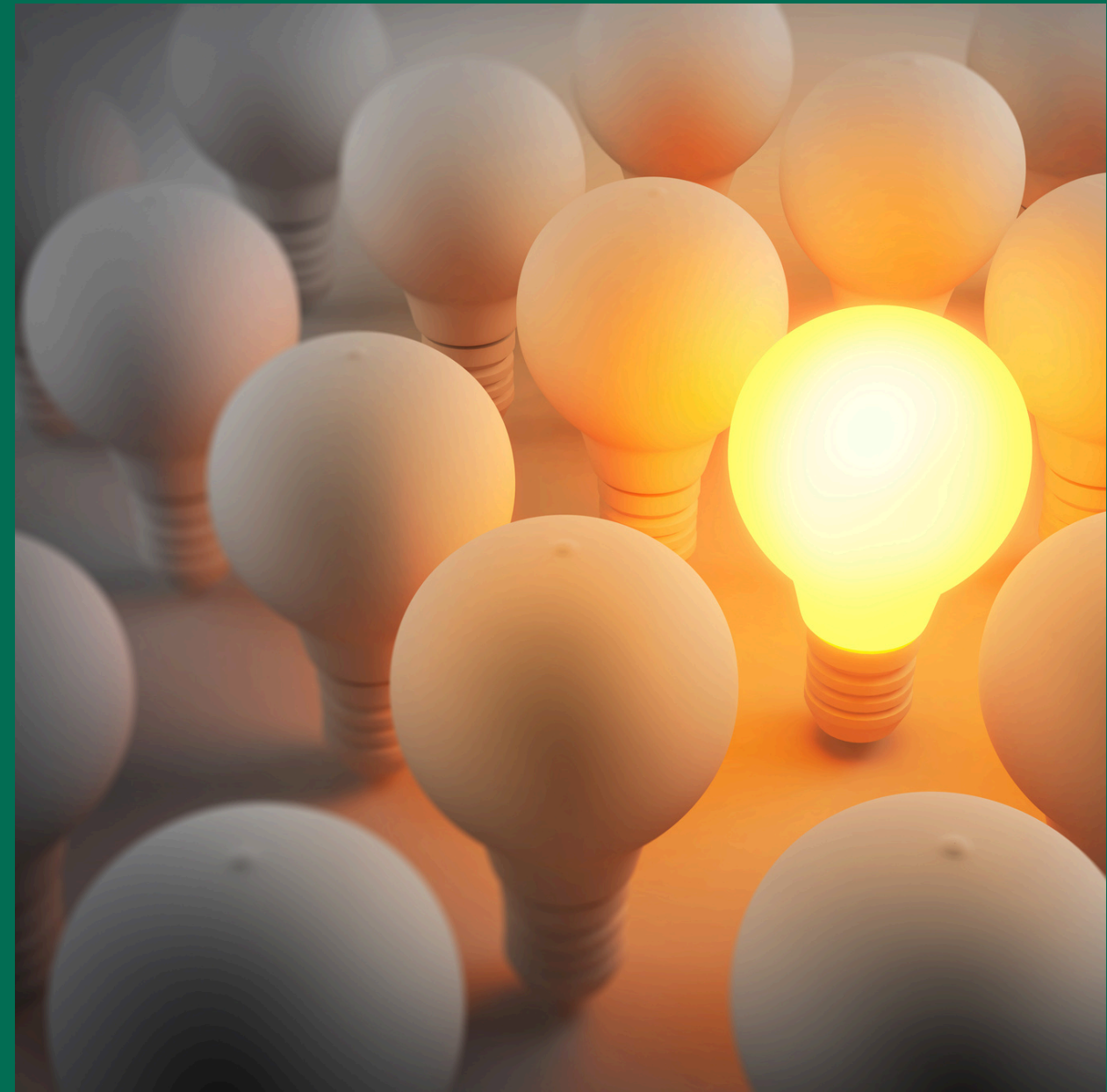


Incorporating Co-Programming

Incorporating optional co-programming

7

Conclusion



Conclusion

- UBI has strong transformational potential in relation to food security in Namibia in both the short and long term
- UBI can enhance Namibia's social protection system
- Despite compelling evidence, resistance remains. Advocates should explore strategies to strengthen their efforts and overcome barriers



Multi-Stakeholder
Task Force



Gradual Approach



Co-Programming

Thank You!

Any
Questions?

