



NAMIBIA'S BIG CAMPAIGN: Why direct cash transfers can still change the world

By Claudio Butticè



In 2008, the Namibian government launched a pilot universal basic income project known as the Basic Income Grant (BIG). The results were amazing, with crime rates dropping by more than one-third and the number of malnourished children almost halved. In just 12 months after its launch, the BIG project showed to be more than able to actively contribute to achieving the Millennium Development Goals set by the United Nations (now known as the Sustainable Development Goals). It was a tremendous opportunity to set the foundation for a new age of prosperity for the entire African continent, and it served as a paradigm around which [other similarly successful programmes have been modeled](#).

Sadly, despite its initial success, the BIG campaign was never implemented on a national scale, and the project was eventually discontinued, never to be heard of again. Since then, however, many things have changed, not just in Namibia and in Africa, but in the entire world. The latest advancements in technology (namely, the amazing leaps forward in automation and artificial intelligence) are forcing many governments to face a new issue - that machines are quickly becoming better than humans at performing many jobs. Artificial intelligence (AI) is soon going to substitute many human workers, leading to a widespread fear that massive unemployment rates could bring many highly industrialised countries to their knees.

Universal basic income (UBI) is regarded by many as a potential solution, and the leaders of the most developed nations are looking at past practical examples of such policies. In this regard, the Namibian BIG project might represent an archetype which might spearhead humanity towards the next step of its evolution. Although the chances of seeing it implemented again in Namibia on a larger scale are very slim, it can still be a fundamental lesson for [other countries who look at UBI](#) as a fundamental weapon in the war against poverty.

BIG: A brief history

[According to the World Bank](#), in 1991, whites, who comprised about 5% of the total population in Namibia, controlled over 70% of the country's wealth. Today, more than 25 years after independence, Namibia is still a country plagued with deep social, ethnic and economic inequalities and extreme poverty. Much of the country's political agenda focused on reducing income inequalities and poverty levels, and, in truth, much has been done in the last two decades. [In 2016, Namibia's GINI coefficient](#) (a globally accepted standard for measuring inequality in wealth distribution) stood at 0.572, a relatively bad figure as a coefficient of 0 is used to represent a perfectly equitable society, while a coefficient of 1 represents a completely unequal one.

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However, back in 2002, Namibia's GINI coefficient was even higher, reaching up to 0.633. The Namibia Tax Consortium (NAMTAX) was appointed by the government to find a sustainable solution to fuel the nation's economic growth. Too many African countries, in fact, lean far too much on the help of more developed countries or on non-governmental organisations (NGOs), but it is common knowledge that their policies do not always help to achieve development goals in the long term. Even worse, many bona fide offers of aid often contribute to widening the already unbridgeable gap between [Western societies and the poorest countries](#).

Eventually, the Consortium published a report stating that *"by far the best method of addressing poverty and inequality would be a universal income grant."* The idea was eventually put into practice by implementing [the Basic Income Grant \(BIG\)](#), the first universal cash-transfer pilot project in the world. In 2005, a coalition of churches, trade unions, and NGOs joined forces to provide each Namibian with a cash grant of N\$100 (approx. US\$7) to be paid monthly as a right. The fund would cover all Namibians, regardless of their socio-economic status, from their day of birth until they were eligible to the existing universal State Old Age Pension of N\$450. According to the Consortium, the new tax system would make the BIG affordable, amounting to just 3% of the country's GDP. Debating and lobbying kept going on for another two years until a pilot project was finally approved to test the programme in practice. In January 2008, the BIG pilot programme was finally launched in the small village of Otjivero.

The amazing positive effects of the Otjivero experiment

About 1,200 people resided in Otjivero, a small town of retrenched former farm workers who lived in abject poverty conditions. The Namibian government chose this rural settlement to monitor the impact of the BIG project over a two-year period until December 2009, and appointed a team of local and international researchers to document the situation prior to and after the implementation of the

programme.

After less than one year, [the population of Otjivero reaped the benefits of this project](#) with amazing results. Both children and adults enjoyed a substantial improvement in their quality of life. Child malnutrition levels in the village dropped in just six months from 42% to 17%. Parents finally had enough money to pay school fees as well as the equipment needed by their kids, such as stationery and school uniforms. Schools had more money to purchase teaching material for the students, and dropout rates fell from between 30% and 40% to a mere 5%.

The introduction of the BIG grants helped the community grow and thrive, and allowed people to focus on more productive jobs. Many young women become financially independent without having to engage in transactional sex. A substantial amount of money was spent on starting new small enterprises and engaging in more productive activities that fostered local economic development. As a direct consequence, economic and poverty-related crimes fell by over 60%.

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The sanitary conditions of the local population improved significantly, with five times more people being able to afford treatment in the settlement's health clinic and, even more importantly, to buy food. Before the introduction of the BIG, most HIV-positive residents faced numerous difficulties in accessing antiretroviral (ARV) therapy due to poverty and lack of proper means of transportation. The project helped them to afford better nutrition and more reliable transport to get their medications. Even critics who argued that free money would lead to more alcoholism were proved wrong, even when a committee that was trying to curb alcoholism was established.

Some years later, during the 2012-2013 summer months, Namibia was struck by one of the worst recorded droughts, leaving over 755,000 people (36% of the population) exposed to starvation in the subsequent years. After the President declared a state of emergency, the [three Lutheran Churches in Namibia implemented a cash grant programme](#) modeled on the BIG pilot in Otjivero. The grant helped approximately 6,000 people with enough money to buy the food they needed to survive. The Namibians reached by the grant spent about 60% of the money received to ensure food security for their families. However, it is interesting to note that people used the remaining 40% of the money to meet their other fundamental needs, such as to covering health care expenses, paying for their children's schooling and even investing in their farming equipment. Once again, the basic income project brought direct positive changes to the quality of life of those who received it and to the local economies as well.

The initial findings vastly exceed the expectations of the BIG coalition, and were encouraging enough to suggest that the introduction of the project on a national scale was possible. Some critics tried to [depict these results as unscientific and unreliable](#), casting a shadow of doubt on the whole project. However, the analysis, published by the now defunct Namibia Economic Policy Research Unit, was itself later found to [be methodologically flawed](#). Wrong and grossly inflated figures about the projected costs of the implementation of the programme at the national level started circulating and, even after NEPRU retracted its statements, they still kept circulating in the media. Some local politicians joined this (rather questionable) wave of criticism and argued that the BIG was a less effective strategy than other extremely generic attempts at "creating more jobs", ignoring the fundamental strength of the project - its ability to emancipate the poor financially.

Eventually, after the Namibian president, Hifikepunye Pohamba, officially took a position against the grant in 2010, the programme was discontinued, if not forgotten. In 2015, the Minister of Poverty Eradication and Social Welfare, Zephania Kameeta, stated that the government was once again [evaluating the implementation of the BIG](#) as one of the key elements of its strategy in the war against poverty. Sadly, the efforts of the former bishop and relentless advocate of UBI were swept away just one year later when the BIG project was set aside and replaced by a much more traditional, growth-based economy programme known as the “Harambee Prosperity Plan”.

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[Despite some recent talks](#) about the potential positive effects of the BIG, universal income doesn't seem to be part of Namibia's foreseeable future. However, it has already been proved to be an unexpectedly efficient tool for bringing prosperity to the Namibian population. Many other countries around the world can still learn from the amazing results it brought about.

Lessons for other countries

The industrialised world is facing its own shares of different problems, and [poverty has recently resurfaced even in the richest countries](#) where its existence had been long forgotten. A “fourth world” made up of vast numbers of immigrants, refugee, and homeless people is swelling the ranks of these invisible new poor that are systematically exploited even in the most highly industrialised Western democracies. Today, [one-third of American families struggle](#) to buy food, shelter or medical care, and in some European countries, such as Bulgaria, Romania, and Greece, more than one-third of the population is [at risk of poverty or social exclusion](#).

And things are about to get even nastier. Automation, robotics and the never-ending technological race are raising serious issues, such as the ethical consequences of substituting some human professions with AI. [A recent research study estimated](#) that the upcoming technological advancements are putting a huge proportion of jobs at risk. The numbers are absurdly high - up to 50% in the United States, 69% in India, 77% in China, 80% in Nepal, and 88% in Ethiopia. Installing a robot in place of a human worker is becoming increasingly cheaper, and the current AI revolution is making machines better than humans in almost everything (including thinking). If even the strongest economies are on the verge of social failure already, how can we brace ourselves to face a future where machines are going to strip a huge proportion of the population of their jobs?

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Some, such as Elon Musk, Mark Zuckerberg, Richard Branson and Bill Gates, [have become advocates](#) of the UBI as a solution to guarantee social stability. If fewer humans are needed to do the same jobs, it doesn't mean that fewer humans have the right to live a quality life they can truly enjoy. The Namibian BIG project eventually failed, but not because of its lack of merit. It was ended by those who were too short-sighted to understand its full potential. It was a great idea, but maybe just ahead of its time. However, this apparently small experiment started ten years ago in this small African village could be the first step towards a better world.

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Namibia taught us one simple yet extremely important lesson – that UBI is not just viable and absolutely doable, it is one of the most cost-effective ways to stave off poverty at all levels. It can help people become more productive, more creative, more able to focus on the things that matter, exactly as in the case of Otjivero’s residents. It is an extraordinary force that could drive humanity forward into a new era of equality and social sustainability.

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