

Poverty & Equity Brief

Africa Eastern & Southern

Namibia

April 2021

Namibia more than halved the poverty rate between 1993 and 2016, but poverty incidence remains relatively high for an upper middle-income country. About 17.4 percent of Namibians lived below the national poverty line in 2015/16, following a decline from 28.7 percent in 2009/10, and 69.3 in 1993/94. Using the upper-middle-income-country poverty line of 2011 PPP \$5.50 per person per day, the poverty rate fell from 68.0 to 51.0 percent between 2009 and 2015. However, the incidence of poverty is projected to have increased since 2015, reaching 64 percent in 2021.

Namibia is one of the most unequal countries in the world. The Gini index was 59.1 in 2015, down from 61.0 in 2010 and 63.3 in 2004. High inequality continues despite several redistributive measures and social protection programs from the Government, reflecting a historical legacy of inequality of opportunity.

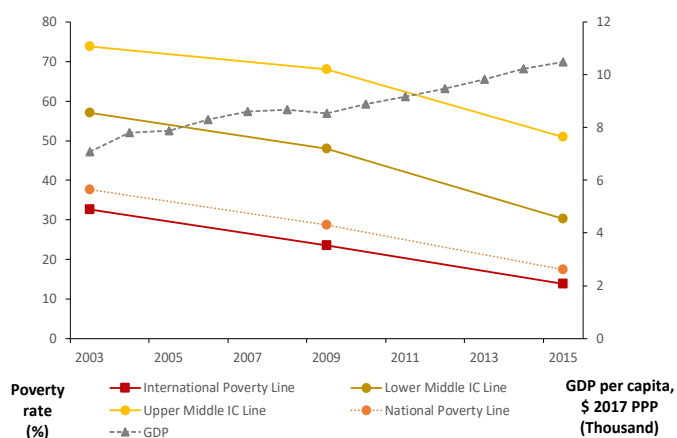
Unemployment has remained stubbornly high at 33.4 percent of the working population in 2018, a slight reduction from 36 percent in 2016, and recent slowing economic growth is expected to further constrain job creation. Unemployment is even higher among women and youth. Only a small segment of poor Namibians benefits from wage income, while the majority rely on subsistence farming, social grants and other transfers.

The COVID-19 pandemic is expected to accelerate the rise in poverty through its impacts on employment and labor incomes. With an increase of 200,000 people last year, the poverty rate has reached 64 percent, using the upper-middle income poverty line. The 'new poor' are more likely to be male, young workers, those with low educational attainment, and/or those in larger urban households. Leveraging existing social welfare systems and supporting small businesses will be key elements of the response package. However, policy interventions will have to scale-up support to these groups.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	422.0	17.4	2015
International Poverty Line 12.5 in Namibia dollar (2015) or US\$1.90 (2011 PPP) per day per capita	319.2	13.8	2015
Lower Middle Income Class Poverty Line 21 in Namibia dollar (2015) or US\$3.20 (2011 PPP) per day per capita	700.7	30.3	2015
Upper Middle Income Class Poverty Line 36 in Namibia dollar (2015) or US\$5.50 (2011 PPP) per day per capita	1,180.4	51.0	2015
Multidimensional Poverty Measure		26.3	2015
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		5.73	2009-2015
INEQUALITY			
Gini Index		59.1	2015
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.91	2009-2015
GROWTH			
Annualized GDP per capita growth		3.49	2009-2015
Annualized Consumption Growth per capita from Household Survey		6.64	2009-2015
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		8.67	2009-2015

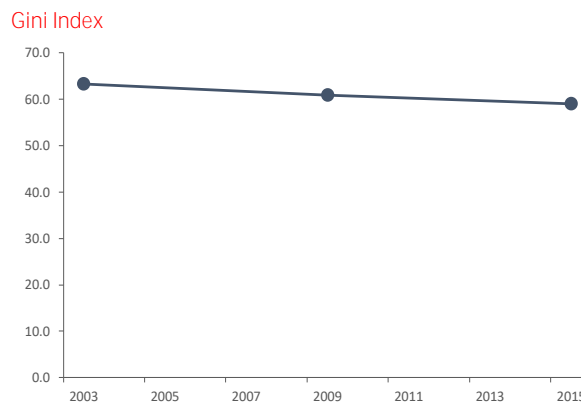
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2021, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2003-2015



Source: World Bank using NHIES/SSAPOV/GMD

INEQUALITY TRENDS, 2003-2015



Source: World Bank using NHIES/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2015	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2015 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	94	6	24	76	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 13.8
Rural population	80	20	54	46	
Males	87	13	39	61	Education At least one school-aged child is not enrolled in school 6.1 No adult has completed primary education 11.3
Females	86	14	41	59	
0 to 14 years old	82	18	49	51	Access to basic infrastructure No access to limited-standard drinking water 9.2 No access to limited-standard sanitation 68.3 No access to electricity 53.8
15 to 64 years old	89	11	34	66	
65 and older	86	14	44	56	
Without education (16+)	75	25	58	42	
Primary education (16+)	82	18	50	50	
Secondary education (16+)	93	7	29	71	
Tertiary/post-secondary education (16+)	100	N/A*	4	96	

Source: World Bank using NHIES/SSAPOV/GMD

Source: World Bank using NHIES/SSAPOV/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

The Namibia Household Income and Expenditure Survey (NHIES) is the main official source of data to assess monetary and non-monetary wellbeing of Namibians, including computation of inequality indicators. The NHIES has been conducted in 1993–94, 2003–04, 2009–10, and 2015–16. The latest NHIES was developed with the support of the World Bank. The 2003–04, 2009–10, and 2015–16 surveys have the same set of consumption questions and thus are comparable. Overall, the household surveys are considered good quality and are openly shared, but increasing the frequency of NHIES surveys is an area for improvement.

Poverty lines are based on the cost-of-basic-needs approach. The current poverty line is determined based on the daily caloric requirement of 2,100 calories per person per day. Consumption expenditure per adult equivalent is used as the welfare measure to capture differences in need by age, and economies of scale in consumption.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The three countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.