



**Locating the intersection between the basic income grant and
urban livelihoods/development in Namibia:
a conversation with practitioners, academics and traders.**

Tuesday, September 15th; 14h00 via Zoom

The event explored the intersection between an eventual basic income grant (BIG) in Namibia with the questions around urban livelihoods, urban development and "popular urban economies". According to official statistics, about two-thirds of those considered to be employed in Namibia find themselves in the so-called "informal sector". At the same time, "popular economies" such as street trading, home-based work, and other livelihoods strategies remain at the margins of the mainstream discourse on economic development in the country. Existing evidence on the impact of BIGs in urban settlements shows that these contribute to the creation and enhancement of local economies; such as brick-making, bakeries, tailoring, etc. However, the literature on the contribution of instruments like BIG to urban development remains limited. This conversation aims to highlight emerging questions when thinking about these conversations together.

The event was co-organised by the **BIG Coalition Namibia** and the **Integrated Land Management Institute** at the Namibia University of Science and Technology (NUST).

Key points from the discussion

The event started with initial contributions by **Phillip Lühl**, Head of the Department of Architecture and Spatial Planning, NUST; **Melkisedek Namupolo**, Head of the Community Land Information Programme at the Namibia Housing Action Group (NHAG); **Martin Namupala**, Master student, NUST; and **Uhuru Dempers**, from the BIG Coalition. The discussion was thereafter opened up to participants joining the event via Zoom and the BIG Coalition Facebook page.

The discussion delved on the experiences of the "informal sector" / urban popular economies in Namibia; the experiences with regards to informal settlement upgrading nationwide; and the experiences in the pilot in the Otjivero-Omitara area. **What resulted from the discussion was an emerging argument from the urban development field for the BIG, and some potential areas for further inquiry.**

The "informal sector" is currently relegated to the realm of the "illegal" and generally disregarded by public institutions, which prefer to support "formal" businesses, "job creation", and "industrialisation" initiatives. However, recent recognition of "the informal" sector has taken place during the times of COVID-19. Since regulations are currently against the "informal sector", the approach is currently "to formalise". However, the approach remains shaped in the image of "the formal sector", therefore "the support" ends up missing the point at best; at worst, it ends up causing damage to those in the informal sector. Since research has shown that BIG supports local economies and entrepreneurship, **the BIG emerges potentially as a way for public institutions to support informal economies in a general way.**

Experiences by practitioners in informal settlements show that many arrive to urban areas in views that rural livelihoods provides few opportunities. A steady source of income could enable a sector that is at best yielding only subsistence. **The BIG emerges as a potential way to make rural livelihoods more likely and therefore supporting rural development in general; this could eventually slow down the influx from rural to urban areas.**

The feasibility of rolling out public services in informal settlements is sometime questioned based on the grounds of affordability. Even if the efforts to install services succeed, the immediate challenge becomes the affordability to repay water (generally around N\$200 per month per household) and electricity (generally between N\$400 and 500 per month per household). The BIG emerges as a potential enabler for making the repayment of services in urban areas more likely.

The blossoming of entrepreneurial activities in the pilot in Otjivero-Omitara saw brick-making, barber shops, and bakeries opening in this urban area. This evidence is relevant to the debates on the economic base and feasibility of small towns in Namibia. Today, there are 57 urban areas in the country; most of them small in terms of population. The BIG therefore emerges as a potential strategy to make smaller urban areas more economically feasible.

The experiences with informal settlement upgrading show the significant benefit of social grants (e.g. old age pension) in the local economies. In some urban areas with few employment opportunities, social grants represent a significant source for the local cash flow. The BIG therefore emerges as a potential strategy for the circulation of cash in places that would otherwise be cut from the flows of money in the country.

The BIG therefore emerges as *an initiative that support initiatives*. Considering the growth not only of existing urban areas but also in the number of proclaimed urban areas, the BIG emerges as a key factor in the geographical redistribution of resources; which seem currently concentrated in larger and wealthier urban areas, or those that are politically favoured.

The field where BIG and urban development intersects emerges as an area with considerable potential for empirical research.