

# **Q-Squared approaches to pro-poor policy formulation in Namibia**

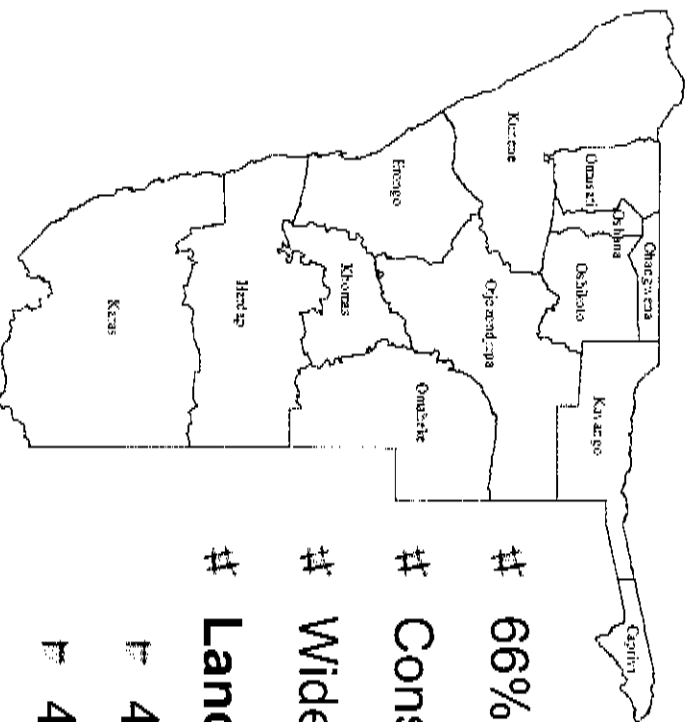
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**Q-Squared in Policy: A Conference on the Use of Qualitative and  
Quantitative Methods of Poverty Analysis in Decision-Making  
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# Presentation Outline

- Overview of current socio-economic trends
- Review of Namibian Q2 antecedents
- Description of quant and qual methods
- Comparing quantitative and qualitative results on poverty trends and attributes
- Apparent contradictions between results
- Concluding discussion

# Macro trends



# **Population estimate:** 1.8 m (2001);

# 66% of population = rural; 33% = urban (2001)

# Considered to have the **driest climate in SSA**

# Wide regional variation in rainfall

# **Land use:**

# 44% commercial farmland (central, south)

# 41% communal areas (mainly in the north)

# 15% state land including conservation areas.

# Communal areas: > two-thirds of popn; farming-based livelihoods

# Commercial areas: livestock is the major income source of a low rural population and a small number of land owners

# Since 2000, subsistence agriculture contributed less than 2% of annual GDP, but is main income source for 37% of the population

# Macro trends (2)

- # Namibia: classified as a **lower MIC** with an average annual income of around US\$ 2800 p.c. (2004)
  - # Based on income, Namibia ranks well (77 of 177 countries),
  - # But using HDI, the country drops 50 places to rank 125
- # Recent advances in human development rapidly eroded by one of the world's most severe **HIV/AIDS epidemics**
  - # **Life expectancy**: fallen from 60 yrs (1991) to 40 yrs (2005)
  - # Leading cause of **mortality**; estimated 100,000 **orphans**
- # High income levels mask **high levels of poverty** due to:
  - # Extreme **inequality** in the income distribution
  - # Legacy of **apartheid** system before Independence in 1990
  - # Heavy reliance on **capital intensive natural resource extraction**

# Macro trends (3)

- # Ambiguity interpreting impact of post-1990 macro trends on poverty
- # **National accounts data:**
  - # 1990-2005: real GDP rose 4.1%, but GDP p.c. only rose 1.6%
  - # High inequality: signif. impact of growth on poverty not assured
- # **Formal sector employment:** fell between 1997 and 2004.
  - # Possible negative effect on HH incomes could be outweighed by: relatively high wages of an expanding civil service (remittances) and doubling of real value social transfers bet 1994-2004.
- # **Land reform programme:** in place since Independence, but implementation been slow and pro-poor effects questionable
- # **Vulnerability to drought and food insecurity:**
  - # Persistent challenge to livelihoods; compounded by HIV/AIDS.
  - # But...during major droughts of 1992 and 2002, gov and international community provided extensive food assistance; to mitigate rural vulnerability, gov established income support programmes

# Quant-qual experience

- # **Poverty Monitoring Strategy** (2005) and draft **National Statistical Plan**:
  - Both recognise importance of combining qual and quant data to broaden analysis and reporting on poverty
  - But...neither looks to past experiences, nor do they incl. specific proposals for combining methods
- # **Greater tradition of mixing methods** in Namibia than realised
  - Yaron et al (1992); Van Rooy et al (1994); Devereux & Naeraa (1996); Tvedten & Nangulah (1999); Frayne (2005)
- # **Diversity of income sources** and livelihoods of the poor; importance of informal networks as a coping strategy
- # Heterogeneity of community experiences
- # **Mismatch between poverty definitions** of researchers and the poor
- # **Striking lack of impact** of these quant-qual approaches on policy

# Methods: Quantitative

- # Namibia Household Income and Expenditure Survey (NHIES)
- # Main objectives:
  - # Comprehensively **describe levels of living** of Namibians.
  - # **Inform policy making** at the national and regional levels in the context of the 2nd and 3rd National Development Plans
- # Repeating an earlier round conducted in 1993/1994.
- # n = 10,920 households in 546 PSUs;
- # Fieldwork: 1 Sept 2003 – 29 Aug 2004

# Methods: Quantitative (2)

- # In the 2003/04 NHIES care was taken not to depart unnecessarily from the methodology used in the previous survey.
- # **Main differences between the two NHIES rounds** conducted in 1993/1994 and in 2003/2004 include:
  - # Sample size
  - # The inclusion of a larger number of annual non-food expenditure items were collected in the 2003/2004 round
  - # In the 2003/2004 survey modern technology such as digital scanning was used for data processing and data cleaning
- # Central Bureau of Statistics: effects of changed methodologies and better coverage difficult to separate from actual developments when the two surveys are compared.





# Methods: Pilot PPAs/Regional Profiles (4)

- # PPA process: two-stage purposive sampling design
  - # **First stage:** selection of constituencies, based on a series of welfare indicators;
  - # **Second stage:** selection of one Primary Sampling Unit (PSU) or village from each of the sampled constituencies.
  - # **Ohangwena:** 7 sites from 7 of the 11 constituencies;
  - # **Caprivi:** 6 sites - one from each of 6 constituencies;
  - # **Omahoke:** 6 sites in 6 of the 7 constituencies;
- # Sampling was done with a view to providing an opportunity to compare and contrast relatively well-off locations in the region with those that are relatively poor.

# Poverty trends: Quantitative

	1993/1994	2003/2004	National Development Plan II targets for 2006
Share of households living in poverty* (%)	37.8	27.9	10 % reduction
Share of households living in severe poverty** (%)	8.7	3.9	5 % reduction
Gini-coefficient	0.7	0.6	less than 0.6

**Sources: CBS (2006a); GRN (2001)**

**\* Poverty is defined as spending 60% or more of total income on food.**

**\*\* Severe poverty is defined as spending 80% or more of total income on food**

- # Substantive decline in poverty, severe poverty and inequality
- # Suggest medium term development targets been met (or almost met)

# Poverty trends: Qualitative

## # Ohangwena:

- # **Incidence of poverty rising** in recent years
- # **Factors:** continuing droughts; subsistence farmers hardest hit because of lack of agricultural equipment and dependence on rain-fed agriculture; food security eroding due to declining soil fertility and smaller crop yields.
- # **Positive devt:** improving school and health facilities; increased employment opportunities; access to safe water improved.

## # Caprivi:

- # **More positive assessment** of poverty trends;
- # **Factors:** Good rains in 2004 resulted in good harvests, selling of surplus, payment of school fees; increased wages for temporarily employed; drought aid; improved water supply; electrification; some gains in access to health care; upgrading of some schools.

## # Omaheke:

- # **Poverty incidence and severity worse** in 2004 than pre-Independence
- # **Factors:** farmworker casualisation and retrenchments; associated loss of property and livestock; food price inflation; high school fees; water costs; declining rainfall

# Other Qualitative Poverty Findings

## # Causes of poverty

- # **Economic:** remoteness, limited infrastructure, unemployment, lack of livestock, scarcity of cash income sources
- # **Environmental:** low rainfall/drought; degradation
- # **Social:** ill health/mortality; food shortages/hunger; high dependency ratios

## # Social mobility

- # **Downward:** illness/death; natural disasters; loss employment; mismanagement and loss of resources
- # **Upward:** human capital, access to loans, livelihood diversification, access OAP, ability to afford farm equipments and drought-resistant crop varieties

## # Categories of poverty and their attributes: commonly focus on: -

- # Access to employment, land and livestock, agricultural equipment
- # Social networks, social transfers
- # Food security, educational attainment, health.

# Poverty Trends Debate

- # **PPAs**: point to poor communities under enormous stress, and to generally worsening poverty situation (esp. w.r.t food security)
- # **NHIES**: results are relatively encouraging. While poverty and inequality remains high, there are significant improvements since 1993/94.
- # **Apparent contradictions**: not just between qualitative and quantitative research methods.
  - Critics in meetings and media pointed to contradictions with 2004 LFS
- # **Puzzle for policymakers** and development partners: as the country prepares its next medium-term NDP, what is happening to poverty. Is it falling or increasing, and why?

# On Poverty Trends

- # Not uncommon for quantitative and qualitative data on poverty and wellbeing to point in opposite directions.
- # **Example 1:** rural poverty in India between the early 1960s and 1980s (Jodha, 1988)
- # **Example 2:** Uganda PPA Process (UPPAP, 1999) (McGee, 2004)
- # **Example 3:** Uttar Pradesh state (Kozel & Parker, 2003)

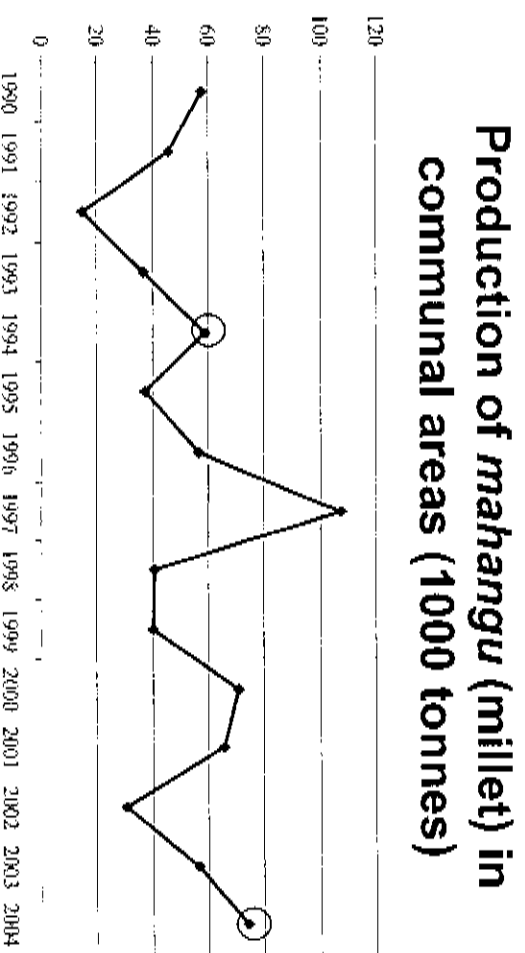
## On Poverty Trends (2)

- # Mean monthly *food* expenditure has risen proportionately less than mean *total* expenditure between survey rounds
  - # Applies to all regions, but intra-regional differences in food expenditure growth
- # Food and total **expenditure growth highest amongst lowest deciles**
  - # Real value of food expenditure wealthiest decile remained constant while nearly doubled for lowest decile
- # Little change in main sources of HH income in aggregate, except for modest decline in subsistence agriculture
  - # **Significant reduction in subsistence agriculture amongst the poorest quintile**, with an increase in 'other' sources (remittances, precarious livelihood activities)
  - # Possible reasons for decrease in subsistence agriculture as a main income source amongst the poorest: Attempt to diversify income, result of asset loss in response to persistent climatic shocks, or a combination of both.



# On Poverty Trends (3)

- # Findings validate the earlier conclusion that **incomes of the poor have increased disproportionately**, resulting in a decrease in poverty and inequality
- # **Caution needs to be exercised** in regarding the results from the two surveys as discreet points in time that can be compared by a straight, downward sloping line.
- # Ignore changes, shocks, volatilities that occur between, before and after
- # E.G: CBS avoided fielding the NHIES in the 2002 drought year as comparability was sought with the recovery from the 1992/93 drought in the earlier round.
- # Problem: food production still remained different for the main staple crops (mahangu, maize)



# On Poverty Trends: Assets (4)

- # **PPA pilot exercises**: suggest **stock of productive assets** that HH and individuals have accumulated is fundamental in determining their poverty status and social mobility, especially in the face of adverse shocks.
- # **Ownership and access to fields for cultivating crops**: sizable shift
  - Ownership dropped from 51% to 25%; access rose from 13 to 29%; those without any access rose from 36 to 45%
  - Effect evident across the income distribution
  - PPA mentions overpopulation, overgrazing, declining soil fertility as salient factors
- # **Grazing land**: those without access rose from 35 to 43%; 15% of the poorest quintile lost ownership and access
  - **Omaha**: intensive use of natural resources is a cause of poverty; poor grazing conditions also associated with arid conditions, termite damage, proliferation of unpalatable grass species; farmworker retrenchments likely to have reduced indirect use of farm resources
  - **Changwena**: insufficient grazing land commonly cited, due to demographic change and environmental degradation

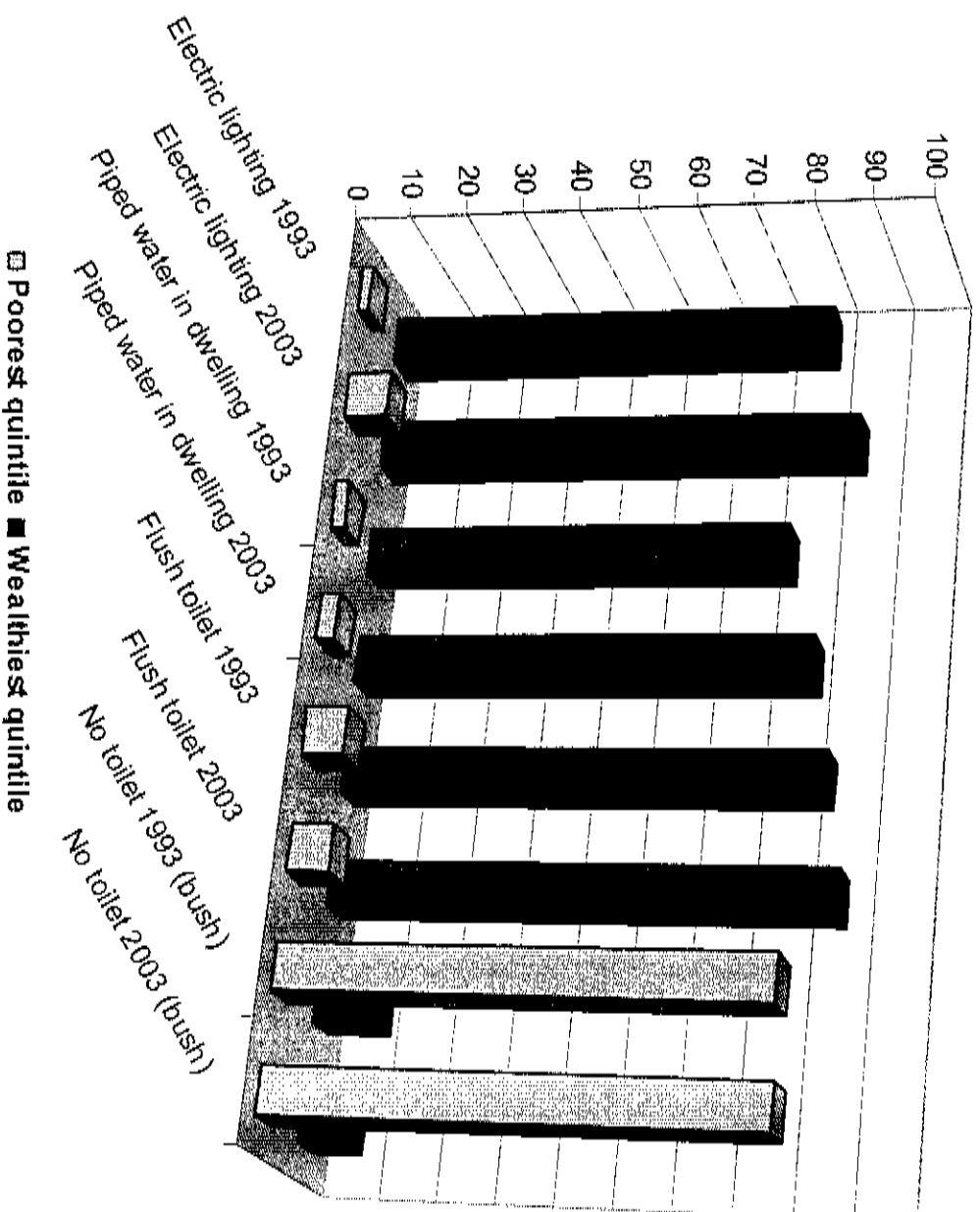
# On Poverty Trends: Assets (5)

- # **Livestock holdings:** picture not any rosier
  - # Nationally: small drop in share HH owning cattle, goats, sheep; larger drop in chicken ownership
  - # More acutely felt at the poorest end of the expenditure distribution; largest percentage point drop for poorest quintile chickens, cattle and goats
  - # Cannot examine herd size from the data.

## # **Significance of dynamics:**

- # Illustration of **apparent asset depletion** amongst the poor in contrast to decreasing poverty using conventional measures
- # Qualitative material significant as provided evidence of relationship between assets and poverty, and suggestions for the underlying reasons.

# On Poverty Trends: Social Wage (6)



- # Little improvement in basic HH services, esp. for poor and rural areas.
- # Poor continue to have meagre endowments of infrastructure and basic services
- # PPA results on **cost and quality** of services
- # Relates to **remoteness** mentioned in PPAs as a cause of poverty
- # Negligible increase in access to social services amongst poorest likely to condition views of changing living standards and poverty expressed in PPAs

# Conclusion

- # Combined qual-quant approaches to poverty analysis in Namibia are not new, but previous research **not had much policy impact.**
- # **May change:** several **policy instruments** commit national authorities to results-based management and poverty monitoring
- # **Pilot PPA data:**
  - # Whether improvement in consumption poverty manifest in **broader suite of welfare indicators.**
  - # The poor emerge as a **heterogeneous** group; potential for quant sources to overlook some factors underlying poverty.
  - # Attention to role of livelihoods, shocks and their impact on key physical asset stocks, and infrastructural assets
- # **Survey results:** provide additional clarification of these issues by
  - # Showing the **importance of productive assets** to the poor; offering signs of the challenges faced in preserving assets
  - # Showing many poor communities **lack even basic services**
  - # Poverty involves **deprivation in a range of different domains**

# Conclusion (2)

- # Our illustrative study suggests some considerations for continuing analysis of new qualitative and quantitative data, and for ongoing development planning processes
- # Pilot PPAs: pointed to **limitations of the household survey instruments.**
  - # Qualitative findings present decision-makers with an **opportunity for methodological refinement** before 3rd survey (defn. changes, lack instrument harmonisation)
  - # Will ensure poverty trends are better captured and understood, especially in relation to ongoing design of public action
  - # Inadequacies in the **national statistical system** (periodicity, consistency of content, etc.)
  - # Not currently possible to adequately monitor poverty and assess the impact of policies
  - # Proposed **integrated household survey programme** could begin addressing these challenges.
- # Our analysis has focused on a select set of priorities, and has thus not resolved all the puzzles and complexities associated with mapping out changes in poverty in the country.

# Conclusion (3)

- # Outstanding issues which warrant further investigation:
  - # Livelihoods and income dynamics: While **social grants and remittances** seem important, we need to know more about magnitude
  - # Explore qualitatively what has happened to **land ownership and access** (life history analysis at community / hh level)
  - # Differentiate between **purchased and in-kind food consumption** and investigate the *mahangu* story
  - # **Demographic change**, and where possible on morbidity and mortality.
  - # **Alcoholism**: examining alcohol consumption data

## # In addition:

- # Examining evidence from the **PPAs in the remaining 10 regions** once the Regional Profiles become publicly available. This should permit the construction of a more complete narrative of the dynamics of poverty in post-Independence Namibia.
- # Conducting a detailed examination of those **PPA sites placed in the same sampling frame as the representative HH surveys**

# Conclusion (4)

- # Introduction of PPAs during the NHIES field round was an important development
  - # Modest and preliminary application - paper illustrates **intrinsic value add** of adopting Q2 approach.
  - # Different approaches have yielded salient insights into the **varied meanings of poverty**.
  - # Approach may not produce easy, one-dimensional solutions to some hard questions being posed about poverty trends, but does facilitate an **improved evidence base for better design and targeting of policy responses**
  
- # **Risk**: two informational bases will not be fully integrated into a combined approach and **treated as related but mostly discreet inputs** into the current third National Development Plan process [politics of poverty]