

NB: Published in the *Journal of Development Alternatives and Area Studies*, Vol. 30, Nos. 1 & 2, March-June, 2011 ISSN 1651-9728

**Investigating the sources of poverty in the informal settlements using Greenwell
Matongo as a laboratory test ground.**

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Abstract

Poverty is undoubtedly one of the main challenges facing mankind. In this study Questionnaires were designed and used to collate relevant data and subsequently analyzed.

The findings of the study indicate that most informal settlement breeds poverty and the following factors were implicated as accounting for the high degree of poverty in the informal settlements: Unemployment, low literacy rate, the absence of basic infrastructures, including low income levels. The study recommends various interventionist policies that could be used to address and possibly ameliorate the magnitude of poverty currently eating deep into the Namibian society. The paper concluded by encouraging other social researchers to carry out more studies regarding the issue of poverty in Namibia.

Preamble

Poverty is a major concern of governments all over the world. Indeed, a number of poverty alleviation programmes and campaigns have been developed overtime and subsequently implemented across the regions. Despite these efforts, poverty remains

According to the Namibian National Poverty Reduction Action Programme (2001-2005) poverty is a phenomenon of multiple dimensions. In one sense, it implies the inability to afford the minimum basic necessities of life. In another sense, it is the lack of capabilities necessary to perform optimally in society. The World Bank defines poverty as a multidimensional fact of life (World Bank, 2000a), and it manifest itself in various forms. Hence, no uniform standard is available for measuring it, even though it is sometimes viewed as the lack of sufficient income.

Poverty is a global issue, and is on the increase amongst most developing countries, including Namibia. For most government officials, development practitioners, policy makers and programme officers poverty is an alluring challenge. It is as pervasive as it is difficult to pin down. Its human face is disturbing, yet its presence is seen almost every day.

Most studies conducted on poverty in Namibia are based on rural poverty, forgetting that poverty do exist in urban areas. Poverty in urban areas is mainly as a result of urbanization. Urbanization in Namibia has occurred largely as a result of high rates of population growth, drought and a decline in the ability of the land to support growing populations. Internal migration is largely based on first-generation migrants trying to make a new life for themselves in towns and cities (Tvedten and Pomuti, 1998). As is common in most developing countries, urban areas are perceived by rural population to have better educational and medical facilities, better employment and economic opportunities than the rural areas (Tostensen et al, 2001: Pendleton and Frayne, 1998). Approximately 40 percent of the urban population in Namibia today lives in the informal settlements. A good example of an informal settlement in Namibia is the Greenwell Matongo neighborhood situated in Katutura, Windhoek. It was established soon after independence and is largely habited by Oshiwambo-speaking people. Infrastructures are highly inadequate in the community itself. There are few gravel roads and people commutes mainly through footpaths. Most buildings are made of low quality materials that are highly inflammable. Households rely on communal water points and public phones. For health and educational purposes residents are compelled to source them from the other neighbourhoods, which in most cases are far away.

Given the above mentioned attributes, we found it convincing to make use of the Greenwell Matongo area for the purpose of our study.

Poverty Profile of Namibia

Namibia is classified as a middle income country with a 1999 per capita income of US\$ 2.220 (Hansohm, 1999). By African standard, Namibia is regarded as a rich country. This statistic however, obscures the inequality in the distribution of wealth, which exists in the country. It has been estimated that 5 % of the population earns more than 70 % of the national income with the poorest 55 % earning a meagre 3%. Namibia's Gini-coefficient of 0.701 calculated in 1993/1994 is consistently one of the highest measured worldwide to date, indicating a highly unequal and skewed income distribution. A large proportion of the Namibian population, therefore live in abject poverty.

The incidence of poverty continues to be pervasive throughout the country and there is a lack of sufficient data to prepare a rigorous country poverty profile and therefore, most estimates are based on partial surveys, proxies, and qualitative information, which in most cases are inaccurate and unreliable.

According to the National Household Income and Expenditure Surveys (NHIES) of 1993/94 and 2003/04 poverty in Namibia declined from about 38 percent in 1993/94 to about 28 percent in 2003/04, while extreme poverty has declined from around 9 percent to around 4 percent during the same period. The same study further suggest that rural areas poverty declined from 49 percent in 1993/94 to 42 percent in 2003/04, while that of the urban areas declined from 17 percent to 7 percent during the decade under review. The poverty incidence is higher among female-headed households and households headed by those with no formal education or with only primary qualifications. In urban areas poor people are found mainly in squatters and shanty settlements.

It was also observed during this survey that the proportion of urban poor has reduced from 17 to 7 per cent, while that of the rural poor households did reduce from 49 to 42 per cent. Also, extreme poverty did reduce from 3 per cent to 1 per cent among the urban households and from 12 per cent to 6 per cent among the rural households. This could give the impression that poverty is primarily a rural phenomenon, which is not true.

The Table 1 below depicts changes in poverty levels during the period 1993/94 to 2003/04 for the various regions in Namibia as well as those for the rural-urban setting. As can be observed from the table 1 all the regions except Oshikoto and Omusati had experienced a decline in poverty rate during the period under review.

Table 1: Percentage Distribution of Poor Households by Region and Rural-Urban

Setting

| Region | Poor Households (incl extremely poor) | | Extremely Poor Households | | Rural Poor Households | Urban Poor Households |
|----------------|--|-------------|---------------------------|------------|-----------------------|-----------------------|
| | 1993/04 | 2003/04 | 1993/04 | 2003/04 | 2003/04 | 2003/04 |
| Caprivi | 47.1 | 43.5 | 7.0 | 7.1 | 54.8 | 14.1 |
| Erongo | 26.8 | 5.7 | 7.1 | 0.4 | 14.4 | 4.0 |
| Hardap | 30.8 | 27.6 | 4.7 | 4.9 | 39.2 | 9.5 |
| Karas | 32.2 | 18.5 | 4.1 | 3.1 | 30.0 | 7.7 |
| Kavango | 70.6 | 50.4 | 19.6 | 8.0 | 58.5 | 18.4 |
| Khomas | 8.7 | 3.6 | 1.1 | 0.6 | 16.9 | 2.5 |
| Kunene | 40.6 | 36.9 | 11.3 | 11.2 | 48.1 | 13.8 |
| Ohangwena | 42.3 | 22.7 | 9.9 | 0.2 | 23 | 4.7 |
| Omaheke | 54.1 | 40.4 | 25.1 | 12.4 | 47.4 | 18.3 |
| Omusati | 40.1 | 46.7 | 9.0 | 1.8 | 47.3 | 12.1 |
| Oshana | 41.2 | 31.3 | 5.5 | 6.0 | 44.9 | 11.8 |
| Oshikoto | 37.8 | 47.0 | 9.0 | 6.1 | 52.7 | 8.8 |
| Otjozondjupa | 41.2 | 18.7 | 10.8 | 3.4 | 29.4 | 6.6 |
| Namibia | 37.8 | 27.4 | 8.7 | 3.9 | 27.4 | 3.9 |
| Rural | 48.7 | 42.1 | 11.8 | 6.1 | 42.1 | 6.1 |
| Urban | 16.6 | 6.6 | 2.6 | 0.6 | 6.6 | 0.6 |

Source: 1993/04 and 2003/04 Namibia Household Income and Expenditure Surveys, NPC

Since the attainment of independence poverty reduction has been one of the cardinal issues, which the Namibian government has made various efforts to address. In this light several programmes and policies have been proposed and implemented notable among them area- The national Poverty Reduction Strategy (PRS), National Development Plan 3, Food Security, Nutrition and Food Production, Social Welfare (includes grants for elderly citizens over 60 years and orphans), Health Policy (Free health services to the poor at public hospitals), Free Primary education and the water Supply and Sanitation Policy (provision of water and sanitation service to all at affordable rates).

According to the Namibian Millennium Development Goals report eighty percent of poor households are located in rural areas. But, we often forget that the same people migrate to urban areas in search of greener pastures and in turn end up in the informal settlements contributing to the already high poverty cases in this area. The poor in urban areas live under difficult social-economic conditions created by historical and structural processes and their alternative survival strategies are limited by different types of relations and networks. Therefore, there is a need to uncover poverty statistics in the informal settlements. A research of this magnitude is very relevant as it has the potential to shed more light on the seriousness of the issue under investigation.

Previous Studies Regarding Poverty.

Poverty could be defined in various ways.

Deleeck et. al. (1992) did regard poverty as a multi-dimensional and dynamic phenomenon. This was further supported by Bloom & Canning (2003).

Mabogunje (1999) defines poverty in urban areas on the basis of the following criteria: lack of access to adequate shelter, water, sanitation, drainage and solid waste removal which accompanies the occupation of unconsolidated and or under-serviced informal settlements.

According to Verner & Alda (2004) poverty is characterized by deprivation, vulnerability and powerlessness. They further emphasized that the poor adopt all kinds of strategies to mitigate and cope with poverty.

Poverty and the informal settlements

According to Gilbert and Gugler (1992), informal settlements are created through a process of unassisted self-help and tend to have two or more of the following characteristics when they are initially created:

- Most houses are self-built by the families occupying them using initially temporary building materials.
- The settlements are illegal in some ways, unserviced and are mostly occupied by people living in abject poverty.

Nangulah and Tvedten (1999) in their study identified the most important determinant of urban poverty (as opposed to rural poverty) as the labor market. People with formal

stable jobs, even if salaries are low, are much less likely to be poor than the unemployed or people with unstable casual jobs. Earnings in the urban informal sector are increasingly low and irregular, as an increasing number of the urban poor have come to rely on this option. Furthermore urban informal households require money in order to pay for housing, pay rent and buy basic necessities such as food, water and fuel.

Landman and Lieberman (1999) in their study suggested overcrowding and lack of privacy within informal settlements as the cardinal causes to higher levels of abuse and assault. The response by state officials to crime occurring in informal settlements is limited due to the lack of vehicle access to many parts of the settlements, lack of access to telephones, lack of street lighting, and difficulties in locating street addresses.

Mabogunje (1999), also emphasized that the absence of an adequate formal response to the growth of informal settlements can be linked to a series of factors, including the transition from colonialism, the increase in urban poverty and the impacts of structural adjustment and other neo-liberal programmes on formal welfare 'safety nets' for the poor. Furthermore, the context of rapid urbanisation leads to growing income and human poverty. There is also growing evidence that poverty is no longer confined to rural areas.

Schade (2000) in his study attributes the causes of poverty to high unemployment and unequal distribution of assets, particularly land, which was the order of the day during the Apartheid period.

According to the Participatory Poverty Assessment for Choto (2004), population growth which drives the increase of informal settlements can impose pressure on the inhabitants of informal settlements. While the people are usually poorly educated, competition in the city is high, and it is hard to find jobs. Pressures can also come from environmental

hazards such as floods and fire. These pressures impact upon the well-being of the poor in these settlements. Poverty can also create long-term pressures. People are unable to obtain adequate food, clean water and other basic services, as well as education. Their health and living standards often suffer when their settlements are situated close to sources of pollution..

According to San (1981), lack of education is extremely significant in explaining the probability of being poor. Thus promoting education is central in addressing problems of moderate and extreme poverty. Specifically primary education is found to have paramount significance in reducing poverty in rural areas. Education is also vital for boosting the productivity of the human factor and making people more aware of opportunities for earning a living.

Methodology and Procedure

The study was conducted in the Greenwell Matongo informal settlement a location selected due to its geographical setting, number of inhabitants and also due to the visible poverty indicators such as lack of hospitals, inaccessible roads, shacks etc.

Systematic random sampling approach had been adopted, as the population being investigated are unevenly scattered and assumed to be of the same class. Based on the Poverty Assessment Executive Summary for Greenwell Matongo, there is an estimated 1,890 people living in 450 household in these area. A total sample, which consists of hundred (100) residents were used for the study. 100 research questionnaires drawn up for the study were distributed amongst the settlers of these neighborhood targeting all age

groups from young to old, since the principal aim of the study was to investigate the sources of poverty across various age brackets. We did interview one person out of every 19 persons leading to a total of 100 respondents. Effectively, 1 out of every 19 persons had the chance of being interviewed.

Data Sources

Combinations of primary and secondary data have been utilized in carrying out this study. Primary data were collated through a self-administered questionnaire that had to be distributed amongst the selected respondents in the Greenwell Matongo settlement. Structured questionnaire method was employed in order to eliminate as much as possible the incidence of biasness. The right to privacy of respondents was taken into consideration in designing the questionnaire. Respondents had the right to choose to discuss their identity or remain anonymous. The data obtained were confidentially treated. The Offices of the National Planning Commission and the Namibian Economic Policy Research Unit in Windhoek provided the secondary data needed for this study.

Analysis and Discussions of Results

Upon administering and collating the questionnaires from the respondents the data obtained were extracted and fed into the SPSS software for further processing taking into consideration the driving objective of the study and subsequently analyzed in the following fashion:

Demographic and Personal information

We generally observed that there were more women than men regarding people living in this settlement. It was also observed that more women (57%) live in this settlement compared to men (43%). Furthermore, a high proportion of females were observed to be heading most of the households that constituted the sample of this study. This can be attributed to socioeconomic cum cultural changes occurring within the family structures as well as unstable household units.

Level of education

The educational level in this settlement area was generally low. It was observed that about 29 percent of those living in this settlement have grade 4 or less, implying a high illiteracy rate. Also, 30 percent are in possession of grade five to seven qualifications, while only twenty-nine percent have Grade 11 or higher qualifications. The level of education was observed to be higher among women than men (with a lower proportion having no education and a higher proportion having grade five or more).

What is your income range in Namibian dollars?

About 52% of the respondents' income is below N\$500. Some of the respondents indicated that they do not have any income and therefore, they cannot sustain themselves. According to the Participatory poverty assessment for the Greenwell Matongo without an income one is unable to pay for basic needs such food, shelter and other utilities such as electricity and water. The Standardized Consumption Level (CSL) of N\$ 7,200 per year discussed by Tvedten, Inge and Akiser Pomuti state that one is poor if you earn a

monthly income of less than N\$600, implying that approximately 52 per cent of the population in the studied area are to be categorized as poor. Only 22% of the respondents have an income above N\$ 1500 and also 16% earn between N\$ 500-N\$ 1000.

Income sources

A majority (47 percent) of the respondents rely heavily on informal employment as their source of income, while 13 percent of the households have formal employment as their main source of income. Similarly, 18% per cent of the households depend on pension to sustain themselves. The rest of the households rely mainly on handouts as well as other forms of redistribution.

What is your daily Expenditure?

Food accounted for about 59 percent of the total consumption expenditure of the respondents, while fuel, transport and clothing represented 8, 8 and 2 percent in that order. Based on the CBS 2006 and UNDP 2000 surveys if 60 percent households spent their income on food then they are classified as being poor. This allows us to infer that most of the settlers in this neighbourhood are poor.

Other observations that were derived from the questionnaires are presented as follows: Flu and diarrhoea were observed to be the most common illnesses experienced by the informal settlers. The study also revealed the absence of health facilities in the location to the extent that people have to travel long distances to clinics and hospitals. As a result a lot of costs are incurred by them in order to access these facilities.

Regarding school attendance, we noted that about 35.7% of the respondents are not attending schools mainly due to monetary constraints.

The respondents generally regarded poverty as the inability to afford food, education, being unemployed, lack of resources to sustain oneself as well as the inability to take part in community activities. They further described a poor person as somebody without a shelter, blankets, no money and who is physically dirty and eating from the garbage bin. The respondents also implicated the following as the factors contributing to the high incidence of poverty in the area: unemployment, lack of education, lack of information dissemination, hunger, sanitation and the prevalence of HIV/AIDS.

In the face of poverty most of the respondents have resorted to alcoholism as a way of taking my minds off the problem, while the others are engaged in street trading, selling of fire woods, domestic work, selling of “kapana”, washing cars and begging. It was also noted that, female-headed households are more vulnerable to poverty, since they have less chances of securing proper work. Besides, most of them do incur a lot of expenses. Relying on friends and neighbours was cited as a common coping strategy by many. The only way of getting out of the poverty trap is for the government to intervene by way of providing jobs as well as basic infrastructures such as schools, roads, clinics and hospitals in the area. The respondents also denied knowledge of any strategy on the part of the government aimed at addressing the issue of poverty in the area.

Conclusion and Policy recommendations

This paper investigated the sources of poverty in the informal settlement using the Greenwell Matongo location as a laboratory test ground. Several factors have been implicated as contributing to poverty. The impact of poverty on the inhabitants of the area also featured in our discussion.

In light of the findings of the study, the following recommendations are put forward:

- Enhance the status and role of Regional councils by allocating more financial and human resources for their operations.
- Improve the basis for the establishment of private enterprises and employment by developing proper town plans for physical and human infrastructure development.
- Inclusion of the informal settlement policy schemes for urban development.
- Invite the Ministry of Trade and Industry to inform and educate the inhabitants on how to access to capital, loans or grants for small business startup capital.
- Support the establishment of an association to represent informal settlers at key decision making bodies and also liaise with the relevant authority e.g. Town council meetings.
- Support the establishment of shanty-based urban services (water, electricity, road maintenance, garbage collection), in order to improve physical conditions and create jobs.

- Support to the establishment of social activities (movie-theatre, sports clubs, dancing halls etc.) in order to create employment and improve the social milieu particularly among the youths and unemployed.
- It is also advisable to commit more resources towards promoting the educational needs of those living in shanty areas in Namibia.

Finally, we do hope that if for nothing else this study has in some ways provided useful information regarding the issue of poverty in Namibia. We also believe that other researchers would be encouraged to investigate this issue further in order to bring out more useful strategies of addressing the issue of poverty in Namibia.

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