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STATEMENT

ON BEHALF OF

**HONOURABLE ALPHEUS MUHEUA
DEPUTY MINISTER OF LABOUR & SOCIAL WELFARE
OF THE REPUBLIC OF NAMIBIA**

AT THE

**49TH SESSION OF THE COMMISSION FOR
SOCIAL DEVELOPMENT**

**NEW YORK,
09-18 FEBRUARY 2011**

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen

It is indeed a profound honour for me to be accorded this opportunity to share with this august gathering the Namibian situation in respect of the theme "Poverty Eradication" as set out in the report of the Secretary General. I would like to express my appreciation for the most informative and timely report of the Secretary General: *Poverty Eradication*.

My delegation aligns itself with the statement made by SADC, the statement delivered by the distinguished representative of Mozambique on behalf of the African Group as well as the statement delivered by the distinguished representative of Argentina on behalf of the Group of 77 and China.

Mr. Chairman

While the topic of this Session is poverty eradication, Namibia's approach has been that of reduction instead of eradication. However, we are pleased that this topic has come at the opportune time when we are about to review our Poverty Reduction Strategy and preparing for the fourth National Development Plan (NDP).

During the period of 1993/4 to 2003/4, the proportion of poor households decreased from 38 percent to 28 percent. The proportion of severely/extreme poor households decreased from 9 percent to 4 percent during the same period. The above results are based on a food consumption ratio definition.

Based on the 2003/4 Households Income and Expenditure Survey, Namibia adopted a new poverty line based on the "cost of basic needs approach". In terms of this approach, the poverty line is estimated on what it cost to buy a minimum of nutrition plus other basic necessities for the poor households. This poverty line has a lower bound of N\$ 184.56 and an upper bound of N\$ 262.45. A household whose consumption expenditure falls below the lower bound per month is considered to be severely poor. While those with the expenditure bellow the upper bound per month are regarded is poor.

Mr. Chairman

The high Gini-coefficient of 0.6 in 2003/4 reveals that there is high inequality between the rich and the poor in Namibia. Poverty is concentrated in rural areas with 38.2 percent of rural households considered poor compared to 12 percent of urban households. The majority of the rural people in Namibia are poor subsistence farmers or farm workers earning a minimum wages N\$ 830 per month to meet their basic needs.

It is with this in mind that Government has introduced, to mention but a few, the following social safety nets; Old persons Grant, Disability Grant, Children's Grants, Social Security Benefits, War Veteran's Subventions, Affirmative Action Scheme for acquisition of land and livestock and Youth Micro Credit Scheme.

Coupled with the above, the government established the Social Security Commission in 1994, with the objective of providing additional social safety net programs.

A War Veterans Subvention of N\$2000 is paid per month to registered veterans with additional developmental support programs inclusive of micro financing scheme to help them start small businesses.

The Government has introduced through the Agribank of Namibia Affirmative Action Scheme Loans Programme whereby previously disadvantaged members of the society could access loans to acquire commercial farms or livestock or farming implements. This loan scheme provides a longer pay back period with very low interest charges allowing the borrower to effect repayment without the normal pressure as it was experienced with commercial banks.

In addition, the government also embarked upon a resettlement program whereby land is purchased from commercial farmers on the willing buyer willing seller basis and the landless majority is provided with agricultural land for subsistence farming.

One area where significant successes are recorded is the Youth Micro Scheme program under the Ministry of Youth and sport, whereby micro loans are given to youth to start up small businesses. The successful applicant for the loan undergoes training in starting and managing businesses and to employ other youth.

Mr. Chairman

Unemployment is one of the biggest challenges facing our country today with the 2008 Labour Survey revealing an unemployment rate of 51.2%. To address the high unemployment rate a National Employment Creation Summit was held where stakeholders from the public and private sector and labour deliberated in a tripartite fashion on possible interventions.

The partners have agreed to work on removing all the bottlenecks that are hindering the creation of more job opportunities. On its part the government agreed to focus more on a few areas with higher potential such as agriculture, tourism, transport and logistics and housing and sanitation to generate faster economic growth and more job opportunities.

In conclusion Mr. Chairman

It is incumbent on any government and its people to tailor make a system that best fits its situation based on the unmet needs of its people as the implementation of a Poverty Eradication Program is not only to satisfy political pressure or having competitive programs but it deals above all with the question of addressing the needs of our people.

It is only when the unmet needs of our people are addressed that the impact on Poverty Eradication will be clearly visible. Therefore, the classification of Namibia as Middle Income Country is not justified when the majority of its people are still living under harsh poverty conditions and hence there is a need for re-assessment and classification of Namibia as the current classification deprives the country and its people of their deserving benefits.

I thank you

