

## **The myth of the lazy poor**

The government's stated "war on poverty", and accompanying policy proposals such as basic income grants and the solidarity tax, have opened a national debate on the virtues of social grants to the poor. Surprisingly, the idea has gained traction, particularly among wealthier segments of Namibian society, that cash grants to the poorest in our society will only engender laziness and dependence.

There is no international evidence to support this opinion. A 2015 comparison by MIT economists of cash grants in six countries showed no impact on whether the recipient was employed or how many hours they worked.

Perhaps this is to be expected. If you rely solely on the current N\$1,100 per month pension for your income, for example, is it reasonable to expect that you would turn down a chance to improve your income by working? A modest income supplement should not significantly disincentivise working.

Moreover, cash grants can be made conditional on socially desirable behaviour, such as ensuring one's child attends school or is vaccinated. A growing body of evidence is showing such conditional cash transfers to be an important tool for accelerated development and poverty alleviation.

This is not to say that social grants of this kind are a panacea for all the world's ills. A conditional cash grant may improve attendance at school, but final educational outcomes will only improve if the underlying education system is addressed simultaneously.

Cash grants in themselves will not lead to full employment, but they can remove some of the stubborn barriers to prosperity.