

Pensions and household structure of older persons in Namibia¹

D. J. Adamchak*

Department of Sociology, Kansas State University, USA

Abstract

The purpose of this study is to assess the role of pensions in households in Namibia. The study examines the impact of pensions on household income and household structure, and describes the characteristics of pension households. Namibia is one of two countries in sub-Saharan Africa which have a national non-contributory pension programme. Findings indicate that pensions in general are the main source of income for 11,8 % of all households in Namibia and that the national pension is the main source of income for 10 % of households. Pension households show evidence of the skip-generation phenomenon, where there is a smaller proportion of young adults and middle-aged persons in the household, particularly males, than in non-pension households. There is also a smaller proportion of children of household heads and a much larger proportion of grandchildren in pension households. Areas with high out-migration are the areas where pensions, particularly the national pension, are the main source of income, suggesting that the security which pensions offer to the extended family enables young adults to migrate for employment, or to extend the employment search, while their children are cared for by elderly parents or other elders in the family network.

Population ageing in developing countries is increasingly receiving attention, with the number of persons aged 60 years and over projected to increase 2,3 times between 2000 and 2025, to surpass 862 million in the year 2025. This figure will represent nearly 72 % of the 1,2 billion older persons worldwide (United Nations, 1991). People born during the high fertility and declining mortality decades of the 1950s through to the 1990s will begin to reach elderly status during the second decade of the next century. However, developing countries in Africa, Asia and Latin America are already experiencing pressures from the increasing number and proportion of older persons (World Bank, 1994).

The elderly in Africa will increase nearly 2,5 times between 2000 and 2025, reaching 102 million and constituting about 6,4 % of the population. Africa's elderly population will increase faster than elderly populations in any other region in the world between 2000 and 2025 (United Nations, 1991). The proportion of elderly in southern African countries will increase the fastest in sub-Saharan Africa, as fertility is falling more rapidly in these countries.

Namibia, in the southern African region, has a small population of approximately 1,6 million. Namibia (then called South West Africa) was administered by South Africa until it achieved independence in 1990 and was included in South

Africa's national pension programme. South Africa and Namibia are the only two countries in sub-Saharan Africa which have national pension programmes. Any Namibian citizen aged 60 or over is entitled to 135 Namibian dollars a month.²

The purpose of this study is to assess the role of pensions in households in Namibia. Specifically, it examines the impact of pensions on household income and household structure, and describes the characteristics of pension households.

Methodology

The data for this analysis come from the first round of the Namibia Household Income and Expenditure Survey (NHIES) conducted from November 1993 to January 1994 by the Central Statistics Office (CSO, 1994). The basic unit of analysis is the household. The household was defined by the CSO (1994:4) as follows:

A private household consists of one or more persons, related or unrelated, who live together and have common catering arrangements. Domestic servants who live in the same house (or servant quarters of the house) and are provided at least one meal a day by the main household are part of this household. Lodgers or boarders who live with the main household and are provided meals by the main household are also included. Institutional households, such as hotels, lodging houses, colleges, hospitals, military and penal establishments are excluded.

The sample consisted of 1 101 households weighted to be representative of the entire country. Walvis Bay was not included as it did not become re-integrated into Namibia until March 1994. The first round of the NHIES consisted of six files. The basic unit of analysis for five files was the household, while for the sixth file, it was the individual. The unweighted and weighted households and population were as follows:

	Unweighted	Weighted
household	1 101	246 882
population	6 838	1 526 636

For this analysis, several variables from the household files were merged with data for the household heads on the individual file to describe various pension, individual and household characteristics. Frequencies and cross-tabulations are the descriptive statistics used in the analysis.

* Address correspondence to

Prof. D.J. Adamchak, Department of Sociology, Anthropology and Social Work, Waters Hall, Kansas State University, Manhattan, Kansas 66506, United States of America.

At the time of this analysis, only information on the type of income, i.e. the main source of income, was available to the author and not data on the level of income, i.e. the amount of income. The non-availability of data on income levels was a limitation in the analysis.

Findings

Household level analysis

Table 1 shows the main source of income of all households and for households where the head is aged 60 years and over. Pension income is clearly important in Namibian households, ranking third among main sources of household income. Of all households, 11,8 % (29 050) reported pensions as the main source of income, following subsistence farming (40,7 %) and wages/salaries (37,4 %). For household heads aged 60 and over, 35 % reported pensions as the main source of income, second only to subsistence farming (49,7 %). In addition, of the 29 050 pension households, 5 868, or 20,2 % did not have a household head aged 60 or over, indicating that a younger person was identified as the head but the pension of the elderly person was the main source of income.

Table 1

Main source of household income, all households and households with head aged 60 years and over (frequencies and percentages)

Main source of income	All households		Households with heads aged 60+ ^a	
	N	%	N	%
Subsistence farming	100 507	40,7	32 916	49,7
Cash cropping	929	0,4	—	—
Animal rearing	1 642	0,7	678	1,0
Business, not farming	9 844	4,0	1 691	2,6
Wages/salaries	92 201	37,4	5 077	7,7
Pension	29 050	11,8	23 182	35,0
Cash remittances	10 126	4,1	2 148	3,2
Other	2 523	1,0	567	0,9
TOTAL	246 822	100,0	66 259	100,0

Source: NHIES, 1993-94.

^a Of the 100 478 persons aged 60 years and over in Namibia during the survey in late 1993 and early 1994, 66 259 (66 %) were household heads.

Table 2 shows pensions by type and whether the pension is the main source of household income for household heads aged 60 years and over. When disaggregating pension types, Table 2 shows that 86,2 % of household heads who receive a pension as their main source of income receive only the national pension. Nearly 14 % receive an employer pension, a private pension or both. Further, if a retiree is receiving an employer and/or a private pension, he/she is also eligible to receive the national pension. The important point to note from Table 2 is that for those elderly for whom a pension is not the main source of income, 85,4 % receive neither an employer nor a private pension, thus the national pension could be a significant contribution to household income. Where a pension is the main source of income, 86 % receive only the national pension of N\$ 135 a month, or in the case of a married elderly couple, N\$ 270 per month.

Table 2

Pensions by type and whether the pension is the main source of household income for household heads aged 60 years and over (frequencies and percentages)

Pension type ^a	Household head aged 60+ ^b			Upper and lower panels
	Pension main source of HH income	N	%	%
1 Employer	No	4 100	6,3	9,7
2 Private	No	1 409	2,2	3,3
3 Employer and private	No	688	1,1	1,6
4 Neither employer nor private	No	36 214	55,6	85,4
Subtotal		42 411	65,2	100,0
5 Employer	Yes	1 161	1,8	5,1
6 Private	Yes	1 403	2,2	6,2
7 Employer and private	Yes	577	0,9	2,6
8 National only	Yes	19 621	30,1	86,2
Subtotal		22 762	35,0	100,0
TOTAL		65 173	100,0	

Source: NHIES, 1993-94.

^a All persons aged 60 years and over are eligible for a national pension of N\$ 135,00 a month. The 1993-94 NHIES did not ask whether anyone in a household was receiving the national pension. Only the pension type "national only" where a pension is the main source of income (type 8) may be assumed to be receiving the national pension. For all other pension type categories, elderly households may be receiving the national pension but it would not be the major source of household income.

^b Data are missing for 1 086 of the 66 259 households where the head was aged 60 years and over.

Table 3 shows selected characteristics for pension and non-pension households. The mean household size is similar: 6,15 and 6,19 for pension and non-pension households, respectively. A household size of 6,15 indicates that an elderly person in a pension household is on average living with five other people who most likely belong to two or more generations. It is more difficult to ascertain how many people elderly persons live within non-pension households, but given the mean household size it is likely that most elderly live with other people.

The age structure of the two household types is quite different in terms of the presence of an elderly person, with 18,5 % and 5 % aged 60 and over for pension and non-pension households, respectively. There is also a smaller proportion of children, young adults and middle-aged persons in pension households. The age/sex structure reveals that there is a smaller proportion of young adult men and women, and a considerably smaller proportion of middle-aged men in pension households. This may be interpreted as an indication of skip-generation households where the elderly take care of grandchildren as their children (the middle-aged and young adults) are labour migrants in other regions of Namibia. Another possibility is that in a small proportion of cases, grandparents are taking care of orphaned grandchildren as the parents of these children may have died from AIDS. Household relations shown in Table 3 indicate that grandchildren are more likely to be present in pension households than in non-pension households, while children are more highly represented in non-pension households.

Table 3
Selected characteristics of pension and non-pension households (frequencies and percentage distributions)

Characteristic	Pension households ^a		Non-pension households ^b	
	N		N	
Number of households	29 050		217 772	
Number aged 60+	32 965		67 513	
Population	178 717		1 347 919	
Mean household size	6,15		6,19	
	%		%	
Age structure (years)				
<18 (children)	48,3		54,9	
19-39 (young adult)	23,9		28,8	
40-59 (middle-aged)	9,2		11,2	
60+ (elderly)	18,6		5,0	
TOTAL	100,0		100,0	
	Male	Female	Male	Female
	%	%	%	%
Age/Sex structure				
<18 (children)	56,3	41,8	57,8	52,5
19-39 (young adult)	22,4	25,0	26,2	31,2
40-59 (middle-aged)	5,3	12,3	11,2	11,2
60+ (elderly)	16,0	20,9	4,8	5,1
TOTAL	100,0	100,0	100,0	100,0
	%		%	
Household relations				
Head	16,4		16,2	
Spouse	6,7		8,6	
Child of head	20,0		38,7	
Spouse of child	1,2		0,3	
Grandchild	26,3		11,2	
Parent or spouse of parent	0,7		0,6	
Other relative	22,6		20,8	
Domestic employee	0,4		0,5	
Other non-relative	5,8		3,1	
TOTAL	100,0		100,0	

Source: NHIES, 1993-94.

^a Where a pension is the main source of household income.

^b Where a pension is not the main source of household income.

Individual level analysis

Table 4 shows individual data for all persons aged 60 and over by pension type and whether a pension is the main source of income. Similar to the household analysis, a pension is the main source of income for 32,8 % of the elderly; of this group, 85 % receive only the national pension. A pension is not the main source of income for 67,2% of the elderly. Of this group, 83,2 % do not receive a formal pension (employer or private pension); however, it is assumed that the vast majority of elders in this group receive the national pension and thus make some contribution to household income (Ministry of Health and Social Services, personal communication, 1995). Overall, 30,1 % of household heads aged 60 and over and 27,9 % of individuals aged 60 and over receive the national pension as a main source of income.

Selected characteristics by three pension categories are shown in Table 5 for individual elderly. The three pension categories are (1) pension is the main source of income (both formal and national pensions combined); (2) receives a pension (formal pension) but it is not the main source of income; and (3) no formal pension and not the main source of income. For the latter two categories, elderly persons could be receiving the national pension. Where a pension is the main source of income, the elderly are more likely to be household heads

or spouses of heads, compared to the other two categories. In cases where the elderly receive a formal pension but it is not the main source of income, or they receive no formal pension, they are more likely to be a parent or the spouse of a parent, or another relative within the household structure. This indicates that in these two categories, the formal pension and/or national pension of the elderly household member contributes to household income even though it is not the main source of income.

Table 4
Pension status of individual elderly (60+) (frequencies and percentages)

Pension type	Pension main source of HH income	Individuals aged 60+		Upper and lower panel
		N	%	%
None/National	No	56 178	55,9	83,2
Formal ^a /National	No	11 335	11,3	16,8
Subtotal		67 513	67,2	100,0
Formal	Yes	4 923	14,9	14,9
National only	Yes	28 042	27,9	85,1
Subtotal		32 965	32,8	100,0
TOTAL		100 478	100,0	

Source: NHIES, 1993-94.

^a Formal pension is defined as an employer and/or a private pension.

Table 5
Pension status of individual elderly (60+) by selected characteristics (percentages)

Characteristic	Type 1	Type 2	Type 3
	Pension main source of income	Pension but not main source of income	No formal pension and not main source of income
TOTAL	100,0	100,0	100,0
Elderly individual's position in household			
Head	69,5	58,2	65,4
Spouse	20,9	12,5	17,3
Parent or spouse of parent	3,6	21,1	6,3
Other relative	3,8	8,2	8,8
Other non-relative	2,2	-	2,2
Education			
None	63,6	31,2	50,3
Primary	27,8	36,9	37,9
More than primary	8,6	31,9	11,8
Male (%)	38,3	50,1	43,9
Rural (%)	74,5	59,2	91,0
Marital status			
Male married (%)	84,1	79,4	83,4
Female married (%)	39,5	34,2	34,3
Mean age (years)	71,6	69,1	69,2
N	32 965	11 335	56 178

Source: NHIES, 1993-94.

The education level of the elderly is lowest for those for whom a pension is the main source of income: 63,6 % have no formal education and only 8,6 % have more than a primary education. About 85 % of this group depends on the national pension only, a comparatively low income. Those who re-

ceive a formal pension but not as their main source of income have the highest level of education.

There are fewer elderly males in type 1, perhaps because they are less well off and thus experience higher mortality. The elderly in type 1 are also about 2,5 years older than those in types 2 or 3. Although as expected the percentage of male elderly who are married is far greater than that for females, the levels across types are similar.

Household structure

The results of the household and individual level analyses indicate that (1) pensions are a main source of income for 11,8 % of all households in Namibia; (2) of household heads aged 60 and over, pensions are the main source of income for 35 %; (3) for those elderly for whom a pension is the main source of income, 86,2 % receive the national pension only which is N\$ 135 per month; (4) pension households (main source of income) have a smaller proportion of young adult and middle-aged members, particularly middle-aged men, and a much lower proportion of children of the household head and a much greater proportion of grandchildren than non-pension households indicating skip-generation households; and (5) where pensions are the main source of income, elderly persons or their spouses are more likely to be household heads than a parent or the spouse of a parent or other relative.

Pensions, household structure and the skip-generation phenomenon

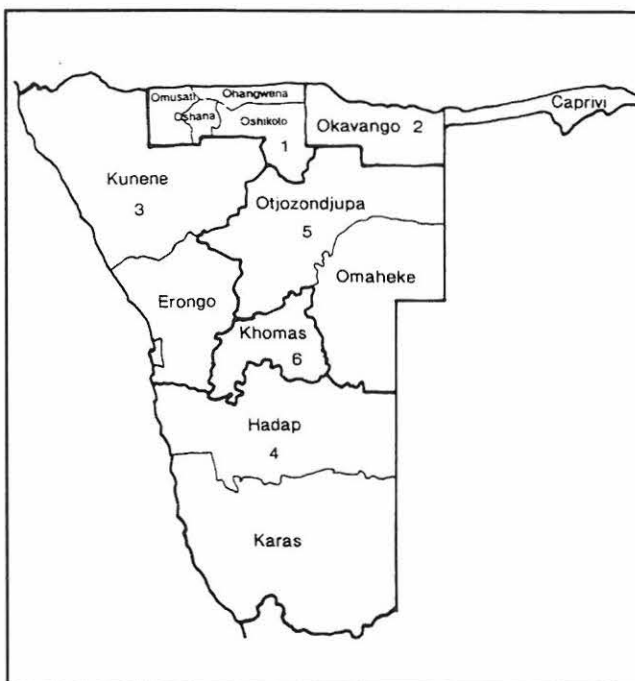
Namibia, like several other sub-Saharan African countries, has considerable age- and sex-specific labour migration. However, Namibia, unlike all sub-Saharan African countries (except for South Africa), has a national pension payable to any citizen aged 60 and over. This analysis has briefly described pensions and household structure in Namibia. The pension is an important source of income for Namibian households, whether as the main source or as a contribution to household income. The data identified a situation of skip-generation households, i.e. households where there are young and elderly with smaller proportions of people in the middle ages. In skip-generation households the elderly take care of young children, usually their grandchildren, while the young adults and middle-aged work away from the household. Usually the young adults and the middle-aged are the children of the elderly, and the parents of the young, although extended family households also exist (other relatives, or non-relatives). A question that remains is whether a national pension contributes to the skip-generation phenomenon.

An attempt is made to answer this by looking at sex ratios as a proxy for male migration for six regional clusters in Namibia, and relating areas with male out-migration to pension status.

Namibia is composed of 13 regions as shown in Figure 1. The thirteen regions were combined into six regional clusters based on ecological functions and sustenance activities (also shown in Figure 1).

Table 6 shows sex ratios for the total population and for the population aged 15 and over for the six regional clusters. Both sets of ratios were calculated as 42 % of the population being under 15 years of age in Namibia and the young not migrating generally. Young adult and middle-aged males mainly migrate for employment opportunities. Regional clusters 1 and 2, which represent the six northern-most regions of Namibia, are areas of male out-migration. Cluster 1 (Owamboland) consists of four regions where there are 71,9 males per 100 females aged 15 and over. Cluster 2 consists of Okavango and

Figure 1
Map of regional clusters, Namibia



Caprivi regions with 87,9 males per 100 females aged 15 and over. These two clusters represent a small proportion of the land area in Namibia but constitute 60 % of the entire population of the country. Cluster 1 also has the lowest per capita income and the highest total fertility rate of all six clusters. The other four clusters (7 regions) are receiving areas for male migrants as all sex ratios for both the total and the 15-years-and-over age group exceed 100, particularly cluster 4 which is a mining area, cluster 5 which is a commercial farming area, and cluster 6 which is the region of the capital, Windhoek.

Table 6
Sex ratios for six regional clusters, Namibia, 1991

Regional cluster	Sex ratios	
	Total	Age 15+
1 Ohangwena, Omusati, Oshana, Oshikoto	83,1	71,9
2 Okavango, Caprivi	92,9	87,6
3 Kunene, Erongo	105,3	107,6
4 Hadap, Karas	112,7	119,9
5 Otjozondjupa, Omaheke	113,5	121,1
6 Khomas/Windhoek	110,5	115,9
TOTAL	94,8	91,8

Source: 1991 Population and Housing Census, 1994.

Table 7 shows the six regional clusters by four pension types. The two male out-migration clusters (1 and 2) have the highest percentages of formal pensions as the main source of income (regional cluster 2) and the national pension as the main source of income (regional cluster 1). Particularly striking is that regional cluster 1 has 33,3 % of all elderly for whom the national pension is the main source of income in Namibia. In addition, pension types 3 and 4, formal pension but not main source of income, and no formal pension and not main source of income, respectively, are more than likely receiving

the national pension. The regional cluster with the highest percentage of each of these pension types is regional cluster 1.

Table 7

Pension status for individual elderly by regional clusters (percentages)

Regional cluster ^a	Type 1	Type 2	Type 3	Type 4
	Formal pension, main source of income	National pension only, main source of income	Formal pension, not main source of income	No formal pension, not main source of income
1	11,9	33,3	44,2	69,3
2	35,4	9,9	2,6	10,7
3	2,6	15,7	12,9	3,4
4	3,4	19,5	6,7	2,8
5	17,7	12,9	17,6	7,7
6	29,1	8,6	16,1	6,1
TOTAL	100,0	100,0	100,0	100,0
N	4 922	28 040	11 336	56 178

Source: NHIES, 1993-94.

^a Regions in the regional clusters: 1 Ohangwena, Omusati, Oshana, Oshikoto; 2 Okavango, Caprivi; 3 Kunene, Erongo; 4 Hadap, Karas; 5 Otjozondjupa, Omaheke; 6 Khomas/Windhoek.

Conclusions

Unlike most countries in sub-Saharan Africa and the entire developing world, Namibia's national pension programme has a significant impact on households and families. Not only does the national pension contribute to household income but it is the main source of income for 30 % of elderly household heads, 28 % of the elderly population, and 10 % of all households in Namibia.

The household structure of pension households indicates a relatively low proportion of young adults of both sexes and middle-aged men. The regions with the lowest sex ratios, indicating significant male out-migration for employment, are also the regions with the highest prevalence of pensions as the main source of income. This relatively small amount of money, N\$ 135 a month, whether the main source of income or a contributor to household and family income, may very well be the impetus behind a decision to migrate. A guaranteed income of N\$ 135 a month, or N\$ 270 for an elderly couple could be the security which keeps a household financially solvent (although minimally), particularly if the national pension income is supplemented with subsistence farming, as is the case in the two northern regional clusters.

Since there is a small but guaranteed income in these households, young adults and middle-aged men can migrate for employment opportunities, or to search for employment while their parents or other elders in the extended family take care of their children. This can also give young adults an opportunity to take the risk of migrating without a definite

job, or to extend the employment search process if they cannot send remittances back to the rural household.

These findings pose a number of interesting questions for future research in developing countries. Does a national pension system alter long-established trends in intergenerational transfers by allowing the older generation to continue providing support for the young, rather than becoming recipients of support? Does a national pension system keep family support systems from disappearing? To what extent does the national pension create skip-generation households above what would be considered a normal amount, given that this phenomenon is common in southern African countries due to former colonial policies of labour migration and living arrangements of blacks in cities? What is the economic impact on households that use the national pension as an opportunity for young adults to labour migrate, or search for employment? Does this process bring larger economic gains to these households in the long run because of the security of the national pension income?

This paper is a first attempt to begin to understand the role of the national pension in Namibian society. Quantitative analyses, such as in this study, are needed to better define the distribution and cross-classification of pensions in society. However, qualitative analyses are also needed to understand the internal dynamics of pension households in Namibia.

Acknowledgement

I would like to thank the Central Statistics Office, National Planning Commission, Republic of Namibia for making available the first round of data of the Namibia Household Income and Expenditure Survey. Interpretations of the data are my own and do not represent the views of the Central Statistics Office or the Government of Namibia.

Notes

1. Revised version of a paper read at the International Conference on Dynamic Ageing: The Challenge, held in Cape Town, 4-6 October 1995.
2. The exchange rate in June 1995 was N\$ 3,60 = US\$ 1,00. N\$ 135,00 was equal to about US\$ 38,00.

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Call for manuscripts

Special issue on

Gender, ageing and empowerment in Africa

In African societies older men and women were family and community leaders, but under conditions of modernization and socio-economic change the elderly have in many cases been marginalized and disempowered. Too often they are perceived as obstacles to development. Yet the elderly can be – and often still are – significant resources in their families and communities.

SAJG is planning a special issue for October 1996 (Volume 5, Number 2) on **Gender, ageing and empowerment in Africa**, to explore issues relating to the empowerment of older women and men in various domains such as family life, health, religion, and the economy. **Dr. Maria G. Cattell** of Millersville University, USA, who is President-elect of the Association for Anthropology and Gerontology (AAGE), is the guest editor of the special issue.

Interested persons are invited to submit suitable manuscripts for consideration for placement in the special issue. Manuscripts should be based on original research, and should discuss issues relating to the empowerment of elderly Africans.

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Dr. Maria G. Cattell
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United States of America

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Centre for Gerontology
UCT Medical School
Observatory 7925
Republic of South Africa

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