

Beneficiary and community perspectives on the Social Welfare Fund in Yemen





Our research aimed to explore the perceptions of cash transfer programme beneficiaries and implementers and other community members, in order to ensure their views are better reflected in policy and programming.



Key points:

- **The Social Welfare Fund requires greater budgetary and political commitments to expand its coverage and have a more meaningful impact.**
- **The transfer is generally perceived positively, but the amount is too low to have a significant impact on the lives of those who receive it.**
- **Poverty needs to be used more consistently as the main eligibility criterion to increase coverage to include currently excluded groups that face severe poverty and even destitution.**

Yemen's largest and longest-running unconditional cash transfer programme, the Social Welfare Fund (SWF), was conceived through the Social Welfare Law in 1996 and has undergone several expansions and reforms, most recently in 2008. The government's commitment to this programme has translated into a gradual expansion of coverage, from 100,000 beneficiary households in 1996 to over 1 million households by 2010. However, in 2012 an estimated 50% of the population – close to 12 million people – were identified as income poor. Given that the average household size is approximately 6 people, this is equivalent to 2 million households, which means that only half of the poor are currently reached.

The SWF reaches all governorates in Yemen and close to two-thirds of districts. Initially, it used geographical and categorical selection, providing monetary assistance to the chronically poor, orphans and vulnerable children, widows, persons with disabilities, the elderly and female-headed households. The SWF now uses poverty targeting, by using proxy means testing, but this method has not yet been applied consistently, creating confusion on the ground regarding targeting criteria.

The value of the transfer has increased significantly over time, to a current maximum of \$20 per month, for a family of six people. Still, the amount is perceived to be very low. It is delivered to beneficiaries primarily through post offices, although the use of other mechanisms, such as mobile cashiers and banks, is increasing. Payments should be made quarterly but frequent delays are reported. The listed beneficiary usually claims the cash, since enabling someone else to claim it is a complex process. Originally, the main beneficiary was the individual who met the 'vulnerability' criteria, however as the programme has expanded to 'poor' households, it is typically the household head, generally a man, who receives the payment.

This country brief synthesises qualitative research focusing on beneficiary and community perceptions of the SWF in Yemen. It is part of a broader research project undertaken in five countries (Kenya, Mozambique, Occupied Palestinian Territory (OPT), Uganda and Yemen) by the Overseas Development Institute (ODI) and commissioned by the UK Department for International Development (DFID). The aim of this research is to ensure that policy and programming better reflects the views of programme beneficiaries, implementers and other community members. The study was conducted in two districts of different governorates: Al-Qahira district in Taiz and Zabid district in Hodeidah, both with primarily urban and peri-urban populations, with high levels of poverty.

Poverty, vulnerability and coping strategies



Nowadays, with instable security, we feel afraid walking alone. Harassment and worse when walking, in the bus and everywhere.

Study participants spoke of a multitude of economic, social and health-related vulnerabilities. Age, sex, social standing and location significantly affect experiences, although respondents belonging to similar groups (e.g. divorced young women) share common vulnerabilities.

The study focused particularly on youth, who have not generally been targeted by the SWF, although they face a number of vulnerabilities, particularly poverty and unemployment.

The most commonly reported vulnerability was high levels of health spending – particularly costs of medicines, tests and operations – which some described as the main cause of significantly increasing levels of poverty. Households with severe and immediate medical needs are forced to sell assets or take on debt.

‘During the year [...] fever attacked all family members, who required medical care, which increased the family loans and sale of properties’
(male, 22, Zabid).

Although the Social Welfare Law exempts SWF beneficiaries from paying fees for basic social services, this seldom occurs in practice, reflecting the fragmented and complex institutional arrangements around providing comprehensive social services.

Important gender-related vulnerabilities that compound economic vulnerabilities were reported to be a result of traditional norms and customs that are more prevalent in less urbanised localities such as Zabid, where women cannot participate in community and economic activities, which in turn reduces their livelihood options. In Taiz, women often experience harassment on the streets, particularly when working outside the home and at school or university.

‘We feel afraid walking alone. Harassment and worse when walking, in the bus and everywhere. It has become even worse [...] We rarely leave our room’
(female, 36, Taiz).

With no legal age in place, early marriage for girls is common. Education levels are also particularly low for females. In addition to limiting girls’ development opportunities, this is linked to high fertility and consequently leads to a greater risk of economic insecurity.

Both localities have few and poorly paid income generation opportunities. In Zabid, male household heads’ inability to provide was said to create tensions inside the household, which can contribute to domestic violence and divorce. In both localities, low incomes and rising prices of goods and services, particularly food, make it difficult to purchase food or pay for medicines, school materials and other basic services, such as water, electricity and rent. The recent conflict has exacerbated this situation, leading to rising insecurity and a reduction in economic activity.

‘Everything has got worse since the beginning of the conflict, increase of prices and no income’
(male, 40, Taiz).

Marginalised groups (including the Muhamasheen) are constrained from accessing land and housing in both localities.

Young people in Yemen also face many challenges. In Taiz, these include tensions related to political activism and features of urban poverty such as involvement in minor criminal activities, such as theft and substance abuse. For young people in both Zabid and Taiz, the lack of work opportunities and consequent high rates of unemployment are major challenges. While overall unemployment in Yemen is estimated at 16.3% – but may be as high as 34% – the UN Development Programme (UNDP) estimates that more than 40% of young people will face unemployment in the next 10 years.

1. The Muhamasheen or Akhdam (which means ‘servant’ in Arabic), or Muhamasheen, is a social group in Yemen, distinguished from the majority by its members’ black African physical features and stature. They are considered to be at the very bottom of the societal ladder and are mostly confined to menial jobs in the country’s major cities.

Experiences of CTs and perceptions of programme design and implementation

The small size of the SWF transfer limits its effects. A family with six people receives an amount equivalent to \$56 per quarter, just enough to buy six pita breads per day – inadequate to feed the family or meet other basic needs. Still, despite complaints about the value of the cash transfer, respondents said it is better than nothing.

'It helps in water and electricity payment. The negative effect is that it is just a small amount and you can't do much with it' (male, 25, Zabid)

Most of the positive effects reported regarding the SWF are at the household level, although positive effects on an individual level includes some economic independence and less reliance on family members for widows and beneficiaries with disabilities.

People from marginalised ethnic groups (particularly from the Muhamasheen community), who are among the poorest and most vulnerable, had mixed experiences. In Zabid, interviewees said they had been excluded from the programme because they were not seen as part of the community, or as deserving of such assistance. In Taiz, on the other hand, Muhamasheen beneficiaries said cash assistance made them feel recognised as being part of the community.

At the household level, the cash transfer had a limited but generally positive impact. Households count on cash assistance to pay for essential services (in Hodeidah mainly water and electricity/air conditioning in the extreme heat) and the money also enables extra spending capacity when the transfer coincides with special occasions or times of need (Ramadan or the start of the school year). The beneficiary card can be used as a guarantee to borrow money or buy goods on credit from the local shop.

'The positive effect is that it helps in water and electricity payment. The negative effect is that it is just a small amount and you can't do much with it' (25-year-old male, Zabid)

'I clear my debt to the shop and also buy rice, oil and sugar' (40-year-old female, Taiz).

Beneficiaries felt that the SWF restored their dignity, which is seen as particularly significant given that poverty is seen as causing humiliation. This money allows them to cover important family expenses and even enables them to participate in social gatherings.

'When coming to the house with money, family members will respect you, the wife will be happy and everything is OK. Money is the main source of happiness' (male, 27, Taiz)

The most consistently mentioned value of the SWF was its reliability. Most beneficiaries have consistently received a transfer (albeit small) for the past several years, although sometimes this payment is delayed. Even if the transfers are sometimes delayed resulting in a lower aggregate sum of money received in a year, knowing that they will have some additional money allows them to plan and pay for important recurrent expenses. However, several key informants interviewed felt this reliability over such a long period of time could cause dependency:

'The amount is not enough and it doesn't cover beneficiary needs, and also some people depend on this support and don't move on to improve their income' (Youth Association member, Taiz)

One of the positive effects key informants in both localities identified was the economic activity generated for community shop owners and service providers, who receive an injection of resources through cash transfer beneficiary spending. In Taiz, the day of payment was said to be a day of celebration.

'I think there are a lot of positive effects, such as food, water and electricity payment, economical movement, increase in voluntary work and certain vulnerability groups getting support' (SWF branch coordinator, Zabid)



Some respondents in Zabid also reported that the transfer had built more positive relations and reduced tension between community leaders and families. In particular, community leaders who were perceived as effectively and fairly selecting poor households had gained respectability and trust in the community.

Some negative effects in the community were also reported, particularly jealousy between those who receive the transfer and those who do not.

'Tension might occur among mediators and non-beneficiaries and registration could be used as propaganda for political people and parties' (informal community leader, Zabid)

Also, some young males in Taiz worried that the programme would become a political tool, used to pressure youth into not becoming politically active for risk of their families losing the support.



Programme governance and accountability

The SWF has recently been going through important changes aimed at improving its **governance** and **accountability**, including reforms to targeting and to the payment system, but these are still not fully operational.

One obstacle is the general **lack of official information** on the programme among beneficiaries, non-beneficiaries and even implementers. People therefore **rely on knowledge being provided by community leaders, relatives, other beneficiaries or applicants**. This poses many risks, as it can effect the decision of potential beneficiaries to register or not, and **can create biases**. In some cases, intermediaries take advantage of the poor and uninformed during the application process.

Further, there were many **complaints about the delivery process**. These included **delays in the payment of the transfer, long queues in the sun, a lack of gender sensitive delivery** process appropriate to the context, **high transport costs** to the delivery point since post offices are no longer going to villages to facilitate payment, **poor treatment by post office staff** and local leaders and even post office officials pressuring recipients indirectly through local brokers to pay ‘handling fees’.

One of the main concerns relates to **targeting**, but perceptions of this problem differed in the two districts. In Zabid poverty is more widespread and as a result people believed that although selection might not be done correctly and was politicised, everyone was in a bad situation and ‘deserved’ the transfer. In Taiz, people felt that many non-poor persons (whom they defined as ‘well connected’) received the transfer therefore, concerns about mis-targeting were greater. SWF staff in communities agreed local leaders had significant influence – including through the payment of bribes – on selection. This may help, particularly where targeting is still categorical, but at the same time politicises the selection process. **Changes to targeting and selection – including proxy means testing – are gradually being rolled out** from the centre, and may over time result in improvements.

There is a growing demand to **scale up SWF coverage**. This was reiterated by most respondents, and was evident in the relatively long waiting lists. Some key informants saw **improving targeting** as a way of **freeing up resources** to increase coverage.

The **lack of a grievance mechanism** limits the programme’s accountability. Virtually all respondents said there was **no formal complaints mechanism**, and very few people complained to local leaders or SWF officials for **fear of being taken out of the programme**. Some implementers disputed this, saying SWF officials were open to complaints. However, given this process is not anonymous, people are less likely to complain.

Conclusions and policy implications

The consensus among SWF implementers and other study participants about coverage gaps shows the programme needs to receive greater policy and budgetary priority to be able to expand and have a meaningful impact on poverty at a national level. Yet, in light of pressing priorities resulting from the political and economic crisis, social protection in general, and cash transfers in particular, have been side-lined in the national policy dialogue. Our study revealed that the SWF has the potential to have great impacts on the lives of beneficiary households and their communities. In order to achieve this potential, the following are some of the changes recommended:

- Conduct a **comprehensive review of the SWF's financing strategy, objectives, targeting and coverage policies, and monitoring and evaluation findings**. This should enable an analysis of the costs, benefits and trade-offs of different policy options in areas that need to be addressed (transfer value, improving targeting, increasing coverage) and the implications of prioritising different issues.
- **Review the value of the cash transfer** in the context of a broader analysis of the programme, taking into account the following factors: high poverty levels, inflation, increasing food insecurity, the effects of the recent political unrest on people's coping strategies, costs incurred collecting the cash transfer and large household size.
- As per the 2008 Social Welfare Reform, use **poverty more consistently as the main eligibility criterion** to increase coverage to include currently excluded groups that face severe poverty and even destitution (e.g. marginalised ethnic groups, other economically insecure and disadvantaged groups, young people living in poverty and very low-income families).
- **Improve access to knowledge and information** at different levels, using effective and appropriate communication channels, such as a beneficiary charter – a one-page document describing the SWF to beneficiaries and the general public that local SWF officials could disseminate orally on delivery days and communicate through the local radio. This will help the SWF increase awareness, clarify and dispel misconceptions and be more accountable to beneficiaries and decision makers.
- **Set up parallel and independent grievance procedures** that effectively enable complaints to be made and then checked at different levels.
- **Improve delivery of cash transfers** through i) improved regularity; and ii) establishment of a transparent procurement process to select intermediaries based on their capacity and reach, with clear contracting terms and conditions that are enforced.
- **Coordinate with other social service providers** to ensure SWF beneficiaries are granted the fee exemptions to basic services stipulated under the law. This may require the establishment of a high-level inter-ministerial committee.
- **Improve access to work and income generation opportunities designed to reflect the contextual realities of beneficiaries**, such as for women unable to work outside the home. This could be done through complementary programmes and other initiatives in the public or private sector to improve beneficiaries' income and enhance their chances of graduation.
- Establish a collaborative agenda for action to **promote inclusive social protection** as key to social cohesion and stability. A working group of donors involved in social protection in Yemen has recently been set up to discuss key issues on the agenda and engage with government. This could be a starting point to pursue this agenda.



Based on findings from this study, the SWF has great potential to impact on the lives of beneficiary households and their communities.

TRANSFORMING CASH TRANSFERS

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