Targeting the Ultra Poor in Yemen

Researchers:

Christopher Udry

Sector(s): Finance, Social Protection

Fieldwork: Innovations for Poverty Action (IPA)

Location: Yemen

AEA RCT registration number: AEARCTR-0000388

Research Papers: Social Protection amidst Social Upheaval: Examining the Impact of a Multi-Facet...

Partner organization(s): Ford Foundation, Consortium on Financial Systems and Poverty (CFSP), Consultative Group to Assist the Poor (CGAP)

More than one-fifth of the world's population lives on less than US$1.25 per day. While many credit and training programs have not been successful at raising income levels for these low-income households, recent support for livelihoods programs has spurred interest in evaluating whether comprehensive "big push" interventions may allow for a sustainable transition to self-employment and a higher standard of living. To test this theory, researchers evaluated a multi-faceted approach aimed at improving long term income of the ultra-poor in multiple countries, including Yemen.

□□□□□□□ □□□□□□□

Governments have often attempted to address the needs of the low-income households by offering consumption support that is costly and offers no clear pathway out of food insecurity. The Graduation Approach, developed by BRAC in Bangladesh, recognizes that the ultra poor face an interrelated set of challenges: lack of skills, assets, and confidence, along with nutritional gaps and health shocks. The graduation approach incorporates a comprehensive package of services designed to ensure that households have the "breathing space" to focus on building new livelihoods, along with a secure place to grow their assets.

This project is a part of a set of evaluations, in partnership with CGAP and the Ford Foundation, that intends to determine whether the model, pioneered in Bangladesh, is effective in a range of contexts.

□□□□ □□□□□□□

Located on the tip of the Arabian Peninsula, Yemen faces economic challenges. Food insecurity, aggravated by a scare supply of water, leaves 32 percent of the country undernourished.[1], Over 45 percent of the population lives under US$2 a day and about 17 percent lives under US$1.25 a day.[2] The Social Welfare Fund (SWF), the Yemeni welfare department, and the Social Fund for Development (SFD), a government-run development agency, have partnered with IPA to pilot the Graduation Model in three governorates of southern Yemen.

□□□□□□□ □□□□□□□ □□ □□□□□□

The Graduation Model in Yemen works in accord with the SWF welfare system. All households in the sample frame came from the SWF welfare lists and receive an average quarterly stipend of YEM 3,000 (US$15). Low-income households were identified using the Progress Out of Poverty Index and are verified as the most poor during SWF field officer visits. These households were then randomly assigned to either a treatment or comparison group. Beneficiaries in treatment households receive training on an income generating activity such as, sewing, raising livestock, or petty trading. As households' income and food consumption stabilizes, beneficiaries are required to open a savings account at the local post office and are encouraged to reach a savings goal of YEM 10,750 (about US$50) by the end of the two year program. In addition, these low-income households are monitored throughout the program with weekly visits from field officers and receive additional trainings on confidence building, social integration, and sanitation practices.

□□□□□□□□ □□□□□□□□ □□□□□□□□□□ □□□□ □□□□□□□□□

Evaluation ongoing; results forthcoming.

---

1. World Bank, "Yemen Country Brief"
2. The World Bank, "Yemen"