

In the name of Allah the Merciful

Summary of the results of the fourth panel discussion on “Yemen and Increase”

Poverty in conditions of war and the importance of peace and reconstruction

Aden city June 10, 2021 AD20



The first axis: the humanitarian situation and indicators of poverty

a) the humanitarian situation

1- The faltering and insufficiency of food supplies, in addition to the lack of good health care and damage to infrastructure, led to the death of nearly a quarter of a million Yemenis until 2019.

2- The conflict led to forced displacement, making Yemen fourth in the world in terms of internal displacement.

3- Approximately (4) million people have been displaced, including (37%) women and children, since 2015 AD, and they are located in more than (15) thousand unplanned informal camps.

4- Most of the displaced are concentrated in Hajjah (35%), Al-Hodeidah (19%), Marib (15%), Al-Jawf (7%), and Taiz (5%). There are also manifestations of displacement in the governorates of Aden, Abyan, Lahj, Hadramout and other governorates that do not. Know their number and proportion.

5- The number of migrants and refugees only during 2017-2020 is about (275) thousand, of whom (137) thousand are refugees from Somalia and Ethiopia, and that only (72.81) thousand live in Aden, while the rest are distributed among (13) governorates at varying rates. The value of housing rents has increased and food and pressure on basic services, which put additional pressure on the requirements of survival in these cities, has increased the number of poor in them.

6- If the fighting continues until 2030, (78%) of Yemenis will live in extreme poverty, (95%) will suffer from malnutrition, and (84%) of children will suffer from stunting.

7- Lack of funding to help Yemen, as the humanitarian response is still suffering from a severe shortage of funding, as the humanitarian response plan in 2020 received (1.9) billion dollars out of the necessary needs estimated at (3.4) billion US dollars.

B) the determinants of poverty

determined by: 1) income 2) education; 3) health; 4) the labor market; 5) Agriculture, Livestock and Food Security; 6) participation and listing 7) transfers and taxes; 8) institutional quality; and 9) social safety net programs.

C) Features of poverty in Yemen

1) Income poverty: Income poverty measures the level of income expenditure or consumption, which is considered as the minimum necessary by an individual or a family to avoid poverty. The current threshold is estimated at (1.25 US dollars per day), and the proportion of those suffering from income poverty in Yemen is about (53%).) of the population, the statistics in the year 2020 AD indicate that:

1- There are (11) governorates in which teachers do not receive their salaries regularly, and who represent the largest proportion of the employees of the state apparatus, which means that they suffer from difficult living conditions, as it is estimated that:

- Approximately (171.6) thousand teachers are affected by the interruption of their salaries, of whom (34.5) thousand are female, while (137.1) thousand are male teachers.
- These teachers were cut off from education, especially for girls, which affected girls' access to schools.
- Many teachers left the education sector in search of a stable source of income, or a supplement to their salaries, whose purchasing value has eroded due to the excessive inflation in the economy.
- Part of the teachers joined the ranks of the fighters.

2- The delay in the salaries of some government institutions and departments, in addition to the military, for several months, which exacerbates the lack of containment of the cycle of poverty.

2) Hunger and food insecurity is one of the most common manifestations of poverty in the developing world.

1- The average number of family members in Yemen is approximately (7.1) individuals.

2- According to the indicators of food security needs for the year 2021 AD, approximately (16.2) million people are threatened by food insecurity.

3- The famine line in 2018, as international reports for the Integrated Food Security Classification confirmed that approximately (239) thousand people fall into famine-like conditions.

4- About (7.6) million people need services to treat acute malnutrition, of whom (4.7) million are in dire need.

5- The average number of calories per person decreased by 20% in 2019 compared to its levels in 2014.

6- Acute malnutrition rates in six governorates exceed the emergency threshold: Al Hudaydah, Lahj, Taiz, Hajjah, Aden and Abyan, and that about (46%) of those suffering from acute malnutrition live in (83) of the districts of these governorates.

7- Malnutrition risks, as there are approximately (2.25) million children under the age of five who suffer from acute malnutrition during the year 2021 AD.

8- One million pregnant and lactating women suffer from acute malnutrition.

9- The rural poverty rate reaches (59.2%), nearly three times more than the urban poverty rate (23.9%).

10- The poverty rate among families headed by women rises to about (72.0%) at the rural level compared to (58.2%) among families headed by men, and at the urban level, we find that the poverty rate among families headed by women (20.1%).

جدول يوضح حجم الضغط على توسع دائرة الفقر في بعض المحافظات لعام (2020م)					
No.	GOV.	Population of the governorate according to the census (2013 AD) (thousand)	Internally displaced persons (thousand)	Of the non-displaced persons (thousand)	Total number of migrants and refugees in need (person)
1	Aden	1087653	89992	119646	72810
2	I show	658824	36035	582857	138700
3	Hadramout	1329085	24999	1526348	26460
4	Apyan	926291	64841	1011455	23240
5	Shabwa	651509	28302	648106	240
6	Al Dhale'	602613	161978	656629	600
7	Socotra Archipelago	42842*	158	68846	-
8	Almahra	470440	9144	166462	2068

.Source: OCHA, Yemen Humanitarian Needs Overview Document, issued in February 2021
 .Approx, and the sign (-) is not available for data *

(3Economic growth: It is one of the most important determinants of poverty and the quality of life in any country, as it affects the level of well-being. The real GDP has decreased by about (50%) since the outbreak of the conflict in 2015.

(4Health of the Poor: Health of the Poor People usually fall into the trap of poverty, due to the deterioration of the economic and social conditions in which they live, by demonstrating the following:

-1Low spending on the health and education sectors, which led to a serious shortage of institutional capacities, both in terms of sufficient and qualified human resources and physical infrastructure in these sectors.

-2The economic deterioration, poor health and hygiene services, and lack of water supply and sanitation have led to the outbreak of many diseases and epidemics since 2015.

-3More than (65) thousand cases of dengue fever were recorded, in addition to the return of some diseases such as polio, as the first case was recorded in 2020.

-4The war has affected the development paths in the country, it has gone backwards to 21 years, although (40-60%) of the population of Yemen has limited or no access to basic services.

-5In addition to the internally displaced, the marginalized population, which represents (10%) approximately (3) million of the population of Yemen, is concentrated in Aden, Taiz and Hodeidah, and they live in miserable conditions from the lack of the basic necessities of life.

-6The number of people who suffer from any form of disability in Yemen before the outbreak of the conflict is estimated at about (4.6) million, or 15% of the total population. It is expected that the number increased as a result of injuries among civilians and fighters, which means that the size of The dependency

has increased many times, and this category of the population is unable to participate in economic activity now and in the future.

(5) The ineffective political system and the absence of governance: He played an important role in destabilizing the political situation since the outbreak of the conflicts in Yemen, which has worsened, with the absence of good governance and the lack of settlement of conflicts and the establishment of peace and security in the country, all of which led to an increase in the population in the poverty line.

(6) Illiteracy: It is one of the main determinants of poverty. Usually, people with less education or without any education can only find jobs with lower wages (or less skilled), and it shows through the length of the conflict:

-1 The fact that the Yemeni population does not have access to education and continue their studies to university, this means that they are not able to get a decent job, as it increases the possibility of not getting out of the cycle of poverty and improving their living conditions.

-2 Not to mention its impact on the continuation of the process of development, reconstruction, state-building and the sustainability of peace and security in Yemen when the conflict ends.

-3 As reports by international organizations indicate that the number of boys and girls of school age (5-17 years) is estimated at (10.1) million, of whom approximately (8.1) million are boys and girls who are in dire need of assistance in order to obtain education, Of them, 1.65 million displaced children, and 1.5 million children with disabilities.

-4 Destroying approximately (2507) schools and/or damaging them or using them for non-educational purposes.

-5 Continuous disruption of education with fragmentation of education systems.

-6 School closures due to (Covid-19) in March 2020, affected the learning of nearly (5.8) million students, many of whom had a very high possibility that they did not return to school.

-7 There are (2.05) of school age boys and girls out of school.

-8 The boys joined the ranks of the fighters and left them to complete their university education.

-9 Increasing the illiteracy rate among the population, and consequently widening the circle of poverty in the coming years.

7) Low financial resources of the state: local revenues, which are the most important source of financing for development and the fight against poverty, are very low. The conflict has led to:

1- Disruption of markets and institutions and the destruction of social and economic infrastructure.

2. Inequality increased sharply.

3- Gross domestic product per capita decreased from (3,577) to (1,950 US dollars), a level of decline that Yemen has not witnessed since before 1960.

4- Yemen is now the second largest unequal country in the world in terms of income distribution, surpassing 100 other countries in levels of inequality in the past five years.

8) Lack of Participation: Poverty results in the inability of low-income people to actively participate in society.

9) Climate change: It poses serious negative repercussions, especially for the poor and disadvantaged segments of society, as the rain and floods during the past years have led to the erosion of agricultural lands, the destruction of homes, and the damage to the infrastructure that was already damaged by the war in cities such as Aden, Sana'a, Al-Hotah, Tarim, and others.

The second axis: the reasons for the increase in poverty in Yemen

First, structural reasons are:

1- The absence of the central role of the state in combating poverty as a result of wars, internal conflicts and divisions between state agencies.

2- Mismanagement of local resources, increasing corruption in state utilities, looting public money, and weak oversight of the private sector.

3- Use of state resources for military armament, and an increase in public expenditures in absurd areas that do not bring about any development; And the lack of public spending on the health and education sector.

4- Delay in disbursing the salaries of the bulk of government sector employees, the most important of whom are those in the military, and teachers.

5- The deterioration of the health sector, the failure of individuals to obtain full health care, with the increasing rate of chronic diseases and epidemics.

6- The weakness of the education sector in the various educational levels, and the dropout of many students from the basic stages; Which resulted in an increase in the rate of ignorance among the community.

7- Lack of interest in the agricultural sector, and the increase in urban sprawl towards agricultural areas, which has caused many people to lose their sources of livelihood and livelihood.

Second, economic reasons:

1- The absence of clear economic plans since the outbreak of the conflict, which the government is implementing in order to eradicate poverty and its effects.

2- Low salaries and wages for all workers in the country for the public and private sectors, due to the erosion of the purchasing power of the currency with the high inflation in its excessive form.

3- The Central Bank was divided into two departments in Sana'a and Aden, which prevented the unification of monetary policies to ensure stability of the exchange rates of the currency whose value collapsed against other foreign currencies, which created challenges for the commercial and humanitarian sectors, which prevented them from facing the challenges of the current and future stage.

4- The rise in the prices of basic materials, due to the irregular supply chains as a result of the war.

5- The cessation of development activity in the country and the absence of actual investments that contribute to reducing poverty, providing job opportunities and leading to comprehensive and sustainable economic development.

6- Not directing the currently invested capital from the private sector or the expatriate towards labor-intensive development projects, which led to an increase in unemployment among young people, especially university graduates.

7- The decline in income and other financial resources with the continuation of the war, led the Yemeni citizen to withdraw from his previous savings from those who own savings (material, gold, or real estate), which confirms the decrease in the volume of local savings, and thus threatens societal security for future generations, and a great possibility of widening the circle poverty for the next period.

Third: Other reasons are:

1- The continuation of the war and internal conflicts that Yemen has been suffering from for more than six years, and the destruction that this war left behind for some infrastructure.

2- The loss of many families for their dependents due to the high casualties of the war and conflict in Yemen, and the increase in families headed by women, which increases the burden of maintenance.

3- Increasing the rates of displaced people from some conflict areas and their dependence mainly on the aid provided to them by some organizations.

4- The shortcomings in employing international aid provided by donor countries in order to achieve economic development and reduce poverty rates in Yemen.

5- The return of many expatriates outside Yemen to the interior, with some of them not having job opportunities in order to support their families.

6- The rise in housing rental prices led to:

A large part of families' income has leaked out to cover housing rents, especially in the main cities.

- The reason for this rise is that families bear the burden of additional expenses, especially those with low incomes, which further expands the circle of poverty.

The third axis: Peace and reconstruction are the basis for poverty reduction and a healthy economy

1) The importance of bringing immediate peace to Yemen

After about seven years of war, peace has become a life, human and economic necessity for the following reasons:

1- Avoiding more human tragedies, as the humanitarian crisis is the worst humanitarian crisis in the world.

2- The percentage of hungry people in the population is increasing and they are classified as famine, and they are increasing more and more with the continuation of the war.

3- The destruction of the social fabric and the necessity of preserving what is left of it and restoring it by all available means.

4- The economic and national collapse resulting from the war and the accompanying conflicts in more than one place in Yemen.

5- Suspension of many economic activities, whether in the state sector or the private sector, which reduced job opportunities and deprived more than half of state employees of their jobs and income.

6- The decline in economic indicators, including the gross domestic product, to more than half, and the war caused the cessation of the flow of the most important financial resources of the state.

7- Increasing the number of those affected, especially the displaced, which created desperate humanitarian conditions.

8- The collapse of the local currency, which led to an increase in the prices of basic commodities and left difficult conditions for families and the inability to provide the necessary food.

9- The devastating impact of the war on essential services for the population.

Second: Reconstruction without delay

A) Reconstruction projects in the past, lessons and lessons

The country has witnessed five reconstruction projects, namely:

- Dhamar Reconstruction Council, which was established after the 1982 earthquake.

- Saada Reconstruction Fund, which was established after the third Saada war in 2002.

The Fund for the Reconstruction of Hadhramaut and Al-Mahra Governorates, which was established after the floods in 2009.

- The Abyan Reconstruction Fund, which was established after the Abyan war in 2012.

- The Executive Office, which was established after the December 2013 conflict, after the youth revolution in 2011.

b) Lessons and lessons learned from the experiences of the above-mentioned reconstruction projects:

1- Those projects worked within the framework of subordination to the central authority and lacked independence in their work.

2- The lack of financial funding and misuse prevented these projects from achieving the goals and purposes for which they were established.

3- Weak coordination between the participants in those projects, which did not help to implement the projects accurately.

4- Poor transparency and widespread corruption in the work of these projects.

5- The rule of favoritism in the selection of employees and the selection of targets.

6- The budgets of these projects are inflated as a result of exaggeration in hiring, spending, and others.

7- Marginalization of the role of local authorities in the project areas and the lack of effective participation of beneficiaries in the reconstruction efforts.

Third: Successful experiences in combating poverty and community development in the country

Three semi-independent public projects were established in the country in the period 1996-1997, which achieved successes in their field of work and can be considered successful models whose experience can be used to implement some humanitarian operations and reconstruction for the post-war period, as follows:

- a) The Social Fund for Development.
- b) The public works project.
- c) Social Welfare Fund.

The success lessons learned from these projects can be reviewed as follows:

- 1- It was able to efficiently provide services to some rural areas, where the efforts of the central state failed.
- 2- It was able to efficiently and transparently absorb the financial resources of donors and increase them in the subsequent period thanks to the trust, credibility, transparency and success achieved by these projects.
- 3- Access to the most remote and disadvantaged areas of development projects.
- 4- She relied on special rules in her work, in selecting employees, and in determining wages based on payment for achievement.
- 5- It was able to develop new work mechanisms by involving the beneficiaries in contributing to the financing and participating in monitoring the implementation of projects.
- 6- Work according to its own transparent and efficient regulations.
- 7- In her work she applied the decentralization and independence approach with community participation.

Fourth: Reconstruction and poverty reduction

Reconstruction can help reduce poverty by:

Conditions for the success of post-war reconstruction:

- 1- The rule of security and stability in the country.
- 2- Involving the societal elites that participated in the war in a lasting peace process and addressing the problems that contributed to the outbreak and exacerbation of the war.
- 3- Apply the principles of governance when designing, planning and implementing reconstruction operations on the basis of comprehensive institutional arrangements.
- 4- Establishing an effective partnership with local communities and reducing centralization in the distribution and implementation of reconstruction projects.
- 5- Effective partnership between state institutions on the one hand and the international and regional community in the reconstruction process.

6- The necessity of carrying out a comprehensive survey of damages at the country level, estimating the financing needs, and proper and transparent planning for reconstruction, by drawing on international experiences.

7- The areas most affected by the war should be the focus of reconstruction in the beginning, provided that it includes the rest of the country later.

8- Harmonizing reconstruction operations with meeting urgent humanitarian needs.

9- Taking into account the compatibility between the volume of aid and the ability to absorb it.

10 - That state institutions, especially the reconstruction authority that is hoped to be established, and other agencies entrusted with it, have a major role in the reconstruction process.

B) The most important economic sectors that will be the focus of reconstruction:

1- Restoration, modernization and development of infrastructure throughout the country.

2- Rebuilding and rehabilitating capacities in the fields of industry, agriculture and fish.

3- Rehabilitation and development of communications and information technology facilities, especially the modernization of the communications network and the reconstruction and modernization of ports and airports.

4- Rebuilding, developing and furnishing health and education facilities.

5- Establishing sufficient and appropriate stations for the generation of electricity and water to meet the needs of the population and using local alternatives to fuel that are inexpensive.

6- Rehabilitation of public facilities and services for the population in the areas of hygiene and sanitation.

7- Establishing labor-intensive projects to ensure the employment of the largest number of unemployed youth.

8- Rehabilitation of state facilities and institutions.

9- Restoration, modernization and operation of voluntary and important economic facilities such as oil wells, and work to start exporting oil and gas as soon as possible.

10- Introducing any private projects in the countryside that work on the basis of employment intensity to create more job opportunities and generate incomes for poor families to reduce poverty.

11- Rehabilitation, operation and modernization of the stalled factories that have qualified manpower, as well as the investments of implementing investment projects.

Managing and organizing the upcoming reconstruction process to benefit from the experiences of the world and the recommendations of international institutions and to benefit from the experience of previous reconstruction projects in Yemen. A new method for implementing the reconstruction process can be developed through the following:

1- Establishing a permanent and independent public authority for the reconstruction of Yemen to be issued by a presidential decree. Its tasks include the following:

- Coordination of reconstruction efforts at the country level.

- Carrying out the tasks of planning, organizing and coordinating the reconstruction efforts within a comprehensive process.
- Organizing reconstruction financing from all internal and external sources.
- Coordination with international donors and with the Saudi Reconstruction Program.
- Opening offices for the authority at the governorate level to coordinate with local authorities and beneficiaries of reconstruction, especially those affected by the war.

Involvement of the private sector in the reconstruction process.

- Adopting special regulations for its work, especially in the areas of recruitment, appointment, wages, tenders, supplies and contracts.

2- Establishing a private bank for reconstruction to which all financial resources are supplied from all sources and which enjoys complete independence from the local financial institutions.

3- Establishing a special and independent unit concerned with evaluation, review and auditing of all the operations of the Authority.

4- Effective participation of the Social Fund for Development, the Public Works Project and the Social Welfare Fund in the reconstruction, humanitarian relief and poverty alleviation operations.

Fifth: Economic recovery and the fight against poverty

This can be achieved by doing the following:

1- Revitalizing the economy and accelerating the pace of economic growth in a sustainable manner and making it inclusive, rich in employment and biased towards the poor.

2- Formulating a social policy based on expanding opportunities, enabling the poor and those with limited income to live a decent life, enabling them to obtain basic services in the fields of education and health, and obtaining suitable job opportunities that increase income by establishing labor-intensive projects.

3- Raising the income level of the population in poor areas, especially by enabling them to participate in small projects and rural development projects.

4- Governance of public institutions, the rule of transparency, limiting corruption, and imposing the power of law and institutions.

5- Expanding education, especially vocational and technical education, improving training, and linking technical and vocational education to market needs.

6- Directing investments towards productive sectors that are labor intensive and dedicated to employing the poor.

7- Expansion of small projects by facilitating microfinance and lending.

8- Taking a number of policies that help control the exchange rate through the development of various foreign exchange resources, achieving financial and monetary stability and controlling inflation.

9- Regularly paying the salaries of the military, security and civilians, which helps reduce the cycle of poverty.

10- Work to establish projects that help bridge the food gap and secure the needs of the population from all sources, especially encouraging humanitarian aid through emergency projects.

11- Achieving economic growth for non-oil economic sectors and activities and diversifying products, and thus diversifying non-oil exports.

12- Preparing a comprehensive strategy for the development of the electric power sector through partnership with the private sector and the exploitation of alternative energy sources available in the country.

13- Improving the investment environment, attracting local, foreign and expatriate investment, reconsidering the legislative structure, facilitating investment control procedures, and improving the business environment in general.

14- The necessity of providing some privileges to Yemen from the Gulf Cooperation Council countries, which the members of the Council enjoy, such as reducing customs tariffs on Yemen's exports and employment facilities.

15- The requirements of the gradual transition from the phase of relief and humanitarian aid to the path of sustainable, balanced and comprehensive development must be taken into consideration.

Sixth: Involving the private sector in the reconstruction process and the recovery of the economy

It is hoped that the private sector will play a positive role in the process of reconstruction, economic recovery and sustainable development, centered on:

First: The private sector played important roles in the development of the country's economy and effectively contributed to alleviating the suffering of people during the war, as:

- The private sector contributed about (70%) in generating the GDP, according to the data of 2019.
- The private sector contributed about 69% of the workforce in the country, according to the statistics of 2014, and this is of great importance in reducing unemployment and thus reducing poverty and improving family income.

It plays a major role in economic diversification and shows great flexibility and a high ability to adapt to the exceptional circumstances the country is going through, as it helped achieve food security, provide growth, import lending, and provide liquidity in the absence of the state and its financial institutions.

- Active participation in investment in the fields of industry, agriculture and services, which creates more job and income opportunities for the state and increases economic growth.

Second: Accordingly, it is necessary to take a number of measures to ensure a real partnership with the private sector, including:

The necessity of involving the private sector in formulating a practical vision for a strategic partnership with the public sector in all areas of reconstruction, recovery of the economy, efforts to reduce unemployment and poverty by modernizing the economy and participating in investment in infrastructure, industry, agriculture, fisheries, oil and gas production, energy projects and others.

- Pushing private sector institutions to lead comprehensive development by building a real relationship and a strong and effective partnership with the state through the formation of joint committees and defining a common vision about the partnership and its future goals.
- Reconsidering the laws, regulations and procedures that stimulate the role of the private sector and its regular participation in the legislative processes and the development of development plans and policies and procedures for the reconstruction and recovery of the economy.
- Participation in the implementation of reconstruction projects, including enabling the private sector to import and deliver relief materials and materials used in reconstruction in a transparent and competitive manner, considering this an acquired right of the local private sector, and we warn against not enabling the private sector to do so for the benefit of foreign companies.
- Issuing a law regulating partnership with the private sector in the areas of reconstruction, development and recovery of the economy and setting a mechanism for partnership in investment in accordance with the construction, operation and transfer of ownership system.
- Serious work to continuously improve the environment for doing business activities that supports the private sector within the efforts of reconstruction, recovery of the economy, reduction of unemployment and poverty, and improvement of the humanitarian situation.

resources and references

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