



# The Social Aid and Assistance programme of the government of Egypt – a critical review

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**SUMMARY:** *This paper assesses the Egyptian government's Social Aid and Assistance programme, mainly by interviewing households in two low-income areas of Cairo, and comparing what the programme offers with these households' actual needs and vulnerabilities. This programme exists to support the most vulnerable in Egypt (those who cannot work and are not covered by any other insurance scheme) by providing them with a minimum monthly income. It is meant to benefit in particular the elderly, households with disabled persons, and women who are widows or divorced and bringing up children. The interviewees pointed to many limitations in what was provided, for instance too little money in relation to daily costs and too many eligible people unaware that they could receive it. The research also highlighted problems with the programme's administration – for instance, the hostility of those who managed it towards those who applied, the complex application process (particularly difficult for illiterate people), the documentation required (which many women do not have), the refusals given with no explanation and, even if the application was successful, the long delay before benefits start.*

## I. INTRODUCTION

POVERTY REDUCTION RETURNED to the centre of the development agenda in the early 1990s. The World Bank's 1990 World Development Report, followed by the 2000 Report, marked positive shifts in thinking about poverty, although these have not always been translated into effective policies for poverty reduction. Moreover, the Millennium Development Goals spell out the international commitment to poverty reduction. The first goal, which aims to "halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day" has been successful in focusing attention on poverty and in "...mobilizing energy and resources for poverty reduction."<sup>(1)</sup> However, it has also encouraged the conceptualization of the poor as a homogenous group, "...whose prime problem is low monetary income"; this has led policy makers and their advisors to focus on policies that increase the income of the poor.<sup>(2)</sup>

Egypt, as a lower middle-income country, does not have a poverty reduction strategy paper, which is currently the main planning tool for poverty reduction in low-income countries. Nevertheless, Egypt has a high incidence of poverty, which has been claimed in some studies to reach 50 per cent.<sup>(3)</sup> Recent changes in the economy also suggest an increase in poverty.

Taking into consideration this international commitment to reduce

poverty and the high incidence of poverty in Egypt, this paper assesses the Social Aid and Assistance programme (SAA hereafter), the primary government of Egypt programme that provides a safety net for the poorest and the most vulnerable. While long-term economic growth that generates employment is essential for poverty reduction, poor people's welfare cannot be ignored in the short term; hence the need for safety nets. Until the structural causes of poverty and vulnerability are addressed, there must be mechanisms to ensure that the poor survive.

This assessment of the SAA was undertaken through case studies in two poor areas in Cairo, one of them a central slum and the other a new peripheral area, neither of which had been researched before. The research reveals the inadequacy of the SAA programme, and demonstrates that, just as the root causes of poverty can be diverse, so must the policies that address poverty be different. The terms "the poor" and "the vulnerable" conceal a lot of diversity, and broad generic policies often fail to address real needs. Based on the research, it seems that some government actions may actually increase people's vulnerability.

The next section of this paper offers a definition of poverty, and outlines the mainstream policy approach to poverty reduction. The concept of "vulnerability" is discussed in Section III, Section IV briefly covers poverty research in Egypt, Section V explains the SAA programme, Section VI examines the results of the primary research, and Section VII gives a critical analysis of the programme.

## II. POVERTY AND THE CURRENT MAINSTREAM POVERTY REDUCTION AGENDA

THE POVERTY REDUCTION policy agenda has undergone many shifts. The era after World War II focused on economic growth "trickling down" to the poor. Subsequently, it was recognized that growth alone is insufficient to reduce poverty, and that basic needs have to be addressed through redistributive policies. In the 1980s, the agenda shifted once again, and structural adjustment programmes focused on macroeconomic stability. It is now widely agreed that they had a negative impact on poverty.<sup>(4)</sup>

The World Bank's 2000 World Development Report, informed by "Voices of the Poor" and influenced by the UNDP's human development agenda and Amartya Sen's capability approach to well-being, has progressively broadened the definition of poverty. Beyond the lack of income, assets and access to health and education, poverty is now understood to include "...voicelessness and powerlessness in the institutions of state and society", as well as vulnerability to adverse shocks and an inability to cope with them.<sup>(5)</sup> This broadening of the definition beyond the "economic domain"<sup>(6)</sup> is an improvement over the 1990 World Development Report which defined poverty mainly in terms of income and "...low consumption and low achievement in health and education."<sup>(7)</sup> The definition and measurement of poverty are important because they drive the choice of policies.<sup>(8)</sup>

Despite this new definition, the current mainstream poverty reduction agenda is quite perplexing. The three main pillars of poverty reduction presented in the 2000 World Development Report are opportunity, empowerment and security. Opportunity centres around economic growth and making markets work for poor people; empowerment revolves around making state institutions work for the poor and building social capital; and security involves managing risk and reducing vulnerability.<sup>(9)</sup> However, the

1. Hulme, D and A Shepherd (2003), "Conceptualizing chronic poverty", *World Development* Vol 31, No 3, page 403.

2. See reference 1.

3. See Appendix I, which summarizes some of the key poverty studies on Egypt.

4. World Bank (1993), *Poverty Reduction Handbook*, Washington DC. Structural adjustment programmes brought a decline in employment, a fall in real incomes, a rise in food prices and a decline in urban welfare through decreased public expenditure on basic services and infrastructure, and they have proved to be less successful than hoped in stimulating economic growth. See Wratten, E (1995), "Conceptualising urban poverty", *Environment and Urbanization* Vol 7, No 1, April, pages 11-33; also Satterthwaite, D (1997), "Urban poverty - reconsidering its scale and nature", *IDS Bulletin* Vol 28, No 2.

5. World Bank (2000), *World Development Report 2000/2001: Attacking Poverty*, Oxford University Press (OUP), Oxford and New York, page 34. This is the definition of poverty used in this paper. The publications that have informed the report include Narayan, D, R Patel, K Schafft, A Rademacher and S Koch-Schulte (2000), *Can Anyone Hear Us*, Voices of the Poor Series, OUP; also Chambers, R, D Narayan, M Shah and P Petesch (2000), *Crying Out for Change*, Voices of the Poor Series, OUP; Narayan, D and P Petesch (editors) (2002), *From Many Lands*, Voices of the Poor Series, OUP; and Sen, Amartya (1981), *Poverty and Famine: An Essay on Entitlement and Deprivation*, OUP, Delhi.

6. See reference 5, World Bank (2000), page 33.

7. See reference 5, World Bank (2000), page 31.

8. Kanbur, R and L Squire (1999), "The evolution of thinking about poverty: exploring the interactions", Cornell University, Department of Economics; accessed at [http://people.cornell.edu/pages/sk145/papers/evolution\\_of\\_thinking\\_about\\_poverty.pdf](http://people.cornell.edu/pages/sk145/papers/evolution_of_thinking_about_poverty.pdf)
9. Maxwell, S (2001), "WDR 2000: is there a new 'new poverty agenda'", *Development Policy Review* Vol 19, No 1, pages 143–149.
10. See reference 1.
11. See reference 5, World Bank (2000).
12. Wade, R (2001), "Making the World Development Report 2000: attacking poverty", *World Development* Vol 29, No 8, pages 1435–1441.
13. See reference 5, World Bank (2000), page 31.
14. See reference 9.
15. See reference 12.
16. See reference 12.
17. Nagel, S (1994), "Introduction" in DeGregori, T and H Rodgers (editors), *Policy Studies in Developing Nations*, JAI Press, London, page 5.
18. See reference 12, page 1436.
19. Chapter 4 praises market-friendly reforms based on the pillars of the Washington Consensus, which include trade liberalization, privatization, property rights, fiscal discipline and openness to foreign direct investment. This chapter emphasizes that "...where market friendly reforms have been successfully implemented, on average stagnation has ended and growth resumed." See reference 5, World Bank (2000), page 38.
20. See reference 1, pages 403–404.
21. Sen (1981), see reference 5, cited in Hulme and Shepherd (2003), see reference 1, page 403.

agenda remains dominated by a neoliberal ideological bias, which sees the market as the solution in an era of globalization.<sup>(10)</sup> Thus, the liberalization policies of the 1980s continue, and are merely supplemented by recognition that more is needed than just economic growth.<sup>(11)</sup>

In terms of policy, the 2000 World Development Report presents a blurred message<sup>(12)</sup> that is not easily translated into practice – a significant handicap for the poverty reduction agenda. It certainly moves beyond the "strategy of two-and-a-half legs" – or labour intensive economic growth and broad provision of social services, along with a supporting role for social safety nets.<sup>(13)</sup> However, the source of the funds for the social subsidies deemed to be necessary for poorer people is unclear, which makes the feasibility of these prescriptions doubtful.<sup>(14)</sup>

This confusing message is a reflection of the disagreements that occurred between the drafts and the final version of the report.<sup>(15)</sup> These disagreements represent the two poles in the poverty debate, which Wade<sup>(16)</sup> labels the "finance" group and the "civil society" group or, more simply, "...those who argue for an emphasis on economic growth and those who wish to attack poverty directly through a 'basic needs' strategy."<sup>(17)</sup> Unpublished drafts of the report suggested that investment openness and market liberalization can sometimes be harmful for poverty reduction. They also recommended social safety nets as a necessary pre-requisite for market reforms. The drafts also emphasized attention to income inequality, and empowerment over economic growth. Despite the fact that the report is meant to be based on the best research,<sup>(18)</sup> it could not offend key constituencies; hence the message was altered in the final draft to fit the neoliberal focus on markets and economic growth as central to poverty reduction.<sup>(19)</sup> Economic growth is important for poverty reduction but it is insufficient because many of the poor "...need different forms of support, policy changes or broader changes within society that take time".<sup>(20)</sup>

Unpacking and disaggregating the category of the poor is essential for poverty reduction. There are different groups of poor people, different reasons for poverty and different types of poverty. Dealing with the poor as an aggregate category is inadequate and a problem for causal analysis; it can also have distorting effects on policy matters.<sup>(21)</sup> There is a growing body of literature on the dynamics of poverty, especially on chronic and transient poverty, and the different set of policies each requires.<sup>(22)</sup> Chronic poverty is more persistent and extended in duration,<sup>(23)</sup> it reflects multidimensional deprivation and is absolute rather than relative. Identifying the chronically poor versus the transient poor is a challenging task for research.<sup>(24)</sup> Chronic poverty results not only from economic factors, but often can be due to social, political and environmental factors.<sup>(25)</sup>

Keeping in mind this complexity in both the definition of poverty and the current mainstream poverty reduction agenda, the next section focuses more specifically on "vulnerability".

### III. UNDERSTANDING VULNERABILITY IN RELATION TO POVERTY REDUCTION

ACCORDING TO WRATTEN, "...vulnerability is not synonymous with poverty, but means defencelessness, insecurity and exposure to risk, shocks and stress."<sup>(26)</sup> It is important to distinguish between poverty and vulnerability and to address both. Vulnerability has been conceptualized in different ways in the development literature but is now part of the definition of

poverty itself.<sup>(27)</sup> It is frequently associated with the transient poor and their vulnerability to sinking deeper into poverty.

The use of the word "vulnerability" can be misleading because it encourages a view of people as "passive" and non-responsive. On the contrary, people have strategies both to manage risk and to cope with its effects. Obviously, the preventive risk management strategies are far preferable. Households also have both formal and informal responses to risk, such as insurance or diversification of income.<sup>(28)</sup>

Nevertheless, reducing vulnerability is essential for poverty reduction. This destructive uncertainty forces the poor "...to live more in the present and to discount the future" and hence, any "...strategic preparation for the future..." is "...continuously postponed for survival and security in the present."<sup>(29)</sup> This situation calls for a combination of "livelihood protection" and "livelihood promotion"<sup>(30)</sup> and means that a short-term ameliorative approach to poverty reduction must supplement the longer-term goals of development.

The poor face huge risks at individual, community and national levels, and their coping mechanisms are not sufficient to deal with them. Risks can be natural, health-related, social, economic, political and environmental. Individual risks, other than unemployment, crime and domestic violence, are mainly health-related and include illness, injury, disability, old age and premature death.<sup>(31)</sup>

Some groups are particularly vulnerable: children, women, the elderly,<sup>(32)</sup> the physically or mentally ill, the disabled, poorly connected groups and informal workers.<sup>(33)</sup> It is important to note that despite the urban-bias thesis, the urban poor are more vulnerable. Prices are higher in the cities and people must spend more on food, they face higher health risks and higher housing, transportation and service costs.<sup>(34)</sup> They sometimes pay more than the rich for services such as water or sanitation. Commoditization and social fragmentation<sup>(35)</sup> add to their risks. The nature of the labour market could also result in higher costs – for example, people might need clean and smart clothes for work, or bribes/fines to undertake informal work.<sup>(36)</sup>

The informal sector, where the majority of the poor find work, is another source of vulnerability. "Informal survivalism" is now the primary mode of livelihood in a majority of cities in low- and middle-income nations.<sup>(37)</sup> The formal sector cannot absorb the growth in the labour force, and the deregulation and casualization of the labour market have "...been widely associated with increases in urban vulnerability and poverty." Informal workers, unprotected by labour laws and standards, can suffer severe exploitation.<sup>(38)</sup> Casual labour, the inability of the informal sector to absorb the unemployed, and low wages all affect the poor. Although the informal sector provides opportunities for survival, it also contributes to "the reproduction of absolute poverty."<sup>(39)</sup>

Vulnerabilities also arise from the intervention of the state and the police: "While government policies can have an important positive impact on poverty alleviation, many poor people experience the state in negative ways – as an oppressive bureaucracy, which attempts to regulate their activities without understanding their needs, or as corrupt policemen, demanding money in order to turn a blind eye to illicit income-generating activities", argues Wratten.<sup>(40)</sup>

Moser's framework suggests that assets are the key to reducing vulnerability – including labour, human capital, housing, household relations and social capital. In the face of economic crisis, the poor draw on these assets using a strategy whereby some are used before others.<sup>(41)</sup> Measuring vulner-

22. See reference 1.

23. Hulme and Shepherd (2003), see reference 1, suggest a duration of five years because empirical evidence suggests that those who have been poor for five years have a high probability of remaining poor; also, for practical reasons, because data collection in many countries takes place every five years.

24. See reference 1.

25. For example, economic reasons could include economic shocks, terms of trade and technological backwardness. Social reasons could include discrimination, high dependency ratios, poor health and lack of trust/social capital. Political reasons could include bad governance, violent conflict and domination by regional/global superpowers. And environmental reasons could include low-quality natural resources, environmental degradation, disasters, remoteness and lack of access, and propensity for disease (Hulme and Shepherd (2003), see reference 1, cited in Mitlin, D (2003), "The economic and social processes influencing the level and nature of chronic poverty in urban areas", Chronic Poverty Research Centre Working Paper No 29, University of Manchester.

26. See reference 4, Wratten (1995), page 17.

27. Prowse, M (2003), "Towards a clearer understanding of 'vulnerability' in relation to chronic poverty", Chronic Poverty Research Centre Working Paper No 24, University of Manchester.

28. See reference 27, page 29.

29. Wood, G (2003), "Staying secure, staying poor: the 'Faustian bargain'", *World Development* Vol 31, No 3, page 455.

30. See reference 29, page 458.

31. See reference 5, World Bank (2000).

32. Children are especially vulnerable if they work, are on the street, suffer from malnutrition and lack safe places to play. Women are vulnerable as a result of intra-household discrimination and the gendered nature of labour markets (see reference 25, Mitlin (2003)). It is expected that poverty for the elderly will become a bigger problem for low- and middle-income countries in the near future. It has not been a policy priority because the focus has been on the young; this is because the "social payoffs" are greater than for the old, due to their higher productivity potential. See Barrientos, A et al. (2003), "Old age poverty in developing countries: contributions and dependence in later life", *World Development* Vol 31, No 3, page 567.

33. See reference 25, Mitlin (2003).

34. See reference 4, Satterthwaite (1997).

35. Moser, C (1998), "The asset vulnerability framework: reassessing urban poverty reduction strategies", *World Development* Vol 26, No 1, pages 1-19.

36. See reference 25, Mitlin (2003), pages 8-9.

37. Davis, M (2004), "Planet of slums - urban involution and the informal proletariat", *New Left Review* Vol 26, page 24.

38. See reference 37.

39. See reference 37, page 26.

40. See reference 4, Wratten (1995), page 24.

41. See reference 35.

42. See reference 27, page 21.

43. Subbarao, K et al. (1997), *Safety Net Programs and Poverty Reduction: Lessons from Cross-country Experience*, The World Bank, Washington DC.

ability is like "...trying to measure something that is not there", according to Prowse,<sup>(42)</sup> and most poverty measures do not capture this dynamic and complicated concept.

Dealing with risk and vulnerability is also one of the three pillars for poverty reduction in the 2000 World Development Report, and there is widespread consensus on the need for safety nets as a key component. Safety nets are basically income-maintenance programmes that protect individuals or households from such events as the death of a breadwinner, or economic recession,<sup>(43)</sup> which can lead to chronic or transient poverty. Safety nets are not long-term solutions, but short-term ameliorative measures of support for managing risk. In most countries, they are provided by government because the private sector insurance markets for the poor are non-existent. When these measures are insufficient, households may need to reduce consumption or increase labour supply; both of these responses provide short-term benefits with detrimental long-term costs.<sup>(44)</sup> Social safety nets and social protection have "...a fundamental development function by altering time preferences"<sup>(45)</sup> - in other words, they allow for a longer-term perspective on the part of the poor.

Seven tools are particularly important in this regard for the poor: health insurance, old-age assistance and pensions, unemployment insurance and assistance, workfare programmes, social funds, microfinance programmes, and cash transfers.<sup>(46)</sup> Safety nets alone are not sufficient to reduce vulnerability. Different types of vulnerabilities require different policies beyond safety nets.<sup>(47)</sup>

Effective safety nets must be tailored to local needs, and should be in place before the execution of an economic reform programme that may have a negative impact on the poor. Cost-effectiveness and targeting mechanisms are factors to consider.<sup>(48)</sup> Better targeting in terms of identifying, reaching and monitoring the poor, means higher administrative costs; hence some leakage can be less expensive and safer in terms of not excluding any of the poor. Other factors to be considered include measures to avoid manipulation and stigma and to maintain incentives for the poor to work. The political economy costs also need to be considered. Broader targeting could generate more political support, which could affect the efficiency of the programme. One concern though is that the most organized and vocal will probably receive the most benefits. These groups are probably not the poorest.<sup>(49)</sup>

#### IV. EGYPT - POVERTY RESEARCH

RESEARCH ON POVERTY in Egypt is fairly limited and weak when compared to that in other countries with similar conditions, and relative to the funds being spent.<sup>(50)</sup> Quantitative research is mostly aggregate and focuses on measuring poverty incidence at the national and governorate level using household consumption data. Poverty headcounts do not tell much about the poor, but provide mainly the approximate scale of the problem. As Chambers<sup>(51)</sup> points out, poor people's lives are local, complex, dynamic, diverse and unpredictable, and aggregate measures conceal this diversity. Qualitative research can offer a deeper understanding of poverty, but the limited qualitative research in Egypt, mainly undertaken by foreign anthropologists and sociologists,<sup>(52)</sup> has focused primarily on the coping mechanisms of the poor.<sup>(53)</sup> Thus, a lot remains to be understood about the poor and poverty dynamics in Egypt.

Although there are various poverty estimates for Egypt,<sup>(54)</sup> there is little consensus about the rate of poverty. The differences between the different poverty lines and the poverty incidence estimates are striking (Appendix I). Results differ depending on the data, definitions and methodology used.<sup>(55)</sup> Mainly using expenditure data,<sup>(56)</sup> studies construct different urban/rural/metropolitan poverty lines, but fail to capture the diversity of needs co-existing within urban and rural populations.<sup>(57)</sup> Even results of studies using the same data sets vary widely because they differ on how individual welfare should be measured (for example, whether the unit of analysis is the individual or the household, or the construction of the food basket). Poverty shallowness, which makes the estimates very sensitive to small differences and to data collection errors, could also contribute to such substantial differences.<sup>(58)</sup> Definite trends become meaningless with these wide divergences, as a change in statistics might not reflect a change in people's lives. The general conclusion is that "...at least a quarter of the population is poor by any standards and another quarter is on the margins of poverty".<sup>(59)</sup> This means that with a population estimated at around 70 million, 35 million people in Egypt face some form of poverty.

There is little doubt that changes since 2000 have increased poverty substantially. The Egyptian economy has slowed down and the Egyptian pound has been devalued, which has caused a substantial increase in prices due to the country's reliance on imports. This increase in prices calls for a revision of the Egyptian poverty lines and the poverty incidence rates.

## V. THE SOCIAL AID AND ASSISTANCE PROGRAMME

THE SOCIAL AID and Assistance programme (SAA) is the largest programme that targets the most vulnerable in Egypt.<sup>(60)</sup> It has not been studied in depth before, and little is known about its delivery system.<sup>(61)</sup> Most of the information presented here comes from the office of the Ministry of Social Affairs (MOSA), from programme beneficiaries, and from an NGO lawyer, who assists women in applying for SAA. Written documentation was impossible to find; the manager of the MOSA office stated: "If someone wants to find out they can just come and ask us and we tell them."

The SAA is one of Egypt's three main safety net programmes which, in 1999, accounted for 4 per cent of government expenditure.<sup>(62)</sup> Of this amount, the food subsidy programme constituted 85 per cent, the social fund for development 13 per cent<sup>(63)</sup> and the social assistance programme 2 per cent. The SAA is the only safety net delivered by MOSA, the government-designated authority responsible for poverty reduction.<sup>(64)</sup> Given the high rates of poverty in Egypt, MOSA should be very busy. However, a visit to a MOSA office confirmed widespread accounts of inefficiency, unresponsiveness and inactivity.

The SAA is a monthly cash-transfer programme, principally for those who cannot work. Changes in the programme's name over the years (from the Sadat scheme to the Mubarak scheme)<sup>(65)</sup> demonstrate the importance of social welfare "gestures" to give legitimacy to governments and politicians.<sup>(66)</sup> Those eligible for SAA cannot be covered by any other insurance scheme, and are considered the neediest in society: divorced women, widowed women, orphans, deserted women, women who have never been married, households with a disabled or sick husband and the elderly.<sup>(67)</sup>

The scheme targets the household and is based on household size. For an

44. See reference 5, World Bank (2000).

45. See reference 29, page 458.

46. See reference 5, World Bank (2000).

47. For example, the elderly also need health facilities close by. See reference 5, World Bank (2000).

48. Different targeting methods exist, each with its advantages and disadvantages. Examples of targeting mechanisms are self-targeting, meaning self-selection, geographical targeting by area, and commodity targeting (of commodities that the poor consume more than other groups). See reference 5, World Bank (2000). Different countries' experiences with safety nets have been documented so that lessons can be learned from them. See reference 43.

49. See reference 43.

50. The "relatively hostile research climate" has discouraged researchers from entering the field. See Assaad, Ragui and Malak Rouchdy (1999), *Poverty and Poverty Alleviation Strategies in Egypt*, *Cairo Papers in Social Science* Vol 22, No 1, American University in Cairo Press, page 40. Studies on the geographical distribution of poverty within cities, including Cairo, do not exist. See Sims, D (2003), "The case of Cairo, Egypt", in Development Planning Unit, University College London, *Understanding Slums: Case Studies for the Global Report on Human Settlements*, accessed at [http://www.ucl.ac.uk/dpu-projects/Global\\_Report/cities/cairo.htm](http://www.ucl.ac.uk/dpu-projects/Global_Report/cities/cairo.htm), page 14. Available data and access to them are limited. The two mostly used nationwide data sets for poverty analysis in Egypt are the household income expenditure and consumption survey by CAPMAS (Central Agency for Public Mobilization and

Statistics), and the Egyptian Integrated Household survey carried out by IFPRI (International Food Policy Research Institute). See Assaad and Rouchdy (1999) above. The CAPMAS survey is carried out in Egypt every five years.

51. Chambers, R (1997), *Whose Reality Counts? Putting the First Last*, Intermediate Technology Publications, London.

52. See Singerman, D (1995), *Avenues of Participation: Family, Politics and Networks in Urban Quarters of Cairo*, Princeton University Press, Princeton; also Wikan, U (1980), *Life among the Poor in Cairo*, Tavistock Publications, London; Wikan, U (1996), *Tomorrow God Willing: Self-Made Destinies in Cairo*, The University of Chicago Press, Chicago; and Hoodfar, H (1996), "Survival strategies and the political economy of low-income households in Cairo" in Singerman, D and H Hoodfar (editors), *Development, Change and Gender in Cairo: A View from the Household*, Indiana University Press, Indiana.

53. See reference 50, Assaad and Rouchdy (1999).

54. El Ahwany, N and H El Laithy (2001), *Poverty, Employment and Policy-making in Egypt: A Country Profile*, ILO, Cairo. The most common measures of poverty are all derived from the poverty lines which have well-known deficiencies. For an excellent critique of the poverty lines, see Reddy, Sanjay G and Thomas W Pogge (2003), "How NOT to count the poor", version 4.5, Institute for Social Analysis, New York, accessed at [www.socialanalysis.org](http://www.socialanalysis.org).

55. For a complete review of the methodological weaknesses of the studies, see UNDP (2003), *Subjective Poverty and Social Capital – Towards a Comprehensive Strategy to Reduce Poverty*, UNDP, Egypt, pages 97–100.

56. The majority of studies on

individual living alone, the monthly payment is LE 50. For every additional person, the payment increases by LE 5, with a ceiling of LE 70 for five people or more. This means that a sick man incapable of working, his wife and eight children would be entitled to LE 70 per month.<sup>(68)</sup>

Applications must be made in person – which is difficult for a sick or old person. Once the application has been filled out, MOSA checks that the applicant does not receive any other insurance. Then a MOSA employee visits the household to assess how destitute the applicant is. This assessment is based entirely on subjective judgement: "If the house is not in appalling condition or if there are any electrical appliances that look new the case is refused" (lawyer). Once these three steps are successfully completed, the applicant remains on the waiting list until MOSA can allocate a budget, which may take up to six months.

## VI. CASE STUDY: "THE POOR" AND "THE VULNERABLE" IN CAIRO

TWO VERY DIFFERENT areas of Cairo<sup>(69)</sup> were chosen to assesses the SAA and outline some of its weaknesses. The two areas provide a deeper understanding of poverty, and demonstrate the diverse causes of poverty and the varied needs, living costs and sources of vulnerability (Table 1). For poverty reduction to be effective, the different causes of poverty and the root causes of vulnerability need to be understood and addressed.

Semi-structured, in-depth interviews lasting 2–4 hours were conducted with around ten households in each area,<sup>(70)</sup> selected with the help of a community leader. The aim was to select households that are typically considered by the poverty literature to be the most vulnerable, i.e. the elderly, female-headed households (divorced women and widows), the disabled, households with working children, and informal workers. The community leaders were also interviewed, to contrast the sample with a better-off household in the same area. It was made clear that this was academic research, with no benefit to those being interviewed. Interviews were carried out in Arabic and then translated. The sample contained more women than men, especially among the elderly.<sup>(71)</sup> The small sample naturally limits generalizations; however it can point to directions for future research.<sup>(72)</sup> The two areas were analyzed based on a combination of two frameworks, which highlight the most significant aspects of urban livelihoods: physical, natural, social, financial, human and political aspects.<sup>(73)</sup>

### a. EL-Ezba

Ezbet abu Karn (El-Ezba hereafter) is an old slum area situated in central Cairo (*hayy* Misr el Kadima<sup>(74)</sup>). It is very dense, with narrow irregular streets and tightly packed, haphazard buildings. Basic infrastructure is almost non-existent. There is no sewage system. A few houses have indoor access to water through an illegal extension of a water pipe, but most households fill up nearby and store water. The government installed electricity in some houses, but then stopped because it is an informal settlement. The local surroundings are in appalling condition: piles of garbage are everywhere and sewage puddles on the street leak into houses. The level of pollution and the smell of sewage are intolerable. In a small pond, children swim side by side with floating garbage. Donkeys, chickens and ducks roam around the streets. The small alleyways are incredibly busy: children play,

women cook, and people chat on the street. Closer to the main street there are various workshops, cafes and piles of burning garbage. Tenure is insecure due to illegality. There are no building controls and houses are unstable. During one interview, the house shook as children jumped on the stairs.

Most El-Ezba residents were born there. Families mostly migrated from Upper Egypt (the south of Egypt) and Fayyoun, and some still maintain ties with their home towns. Social networks are visibly strong: "We know everyone who lives close by" one woman said, and this strengthens local coping mechanisms, as will be discussed below.

Due to the area's central position, residents have good access to the city and its labour market. Various workshops exist in the area, and health and education institutions are accessible.

## b. El-Zelzal

Manteket el-Zelzal<sup>(75)</sup> (El-Zelzal hereafter) is situated on Mokattam Hill (*hayy* El Khalifa wel Mokattam). It is not a slum area. People were relocated to government-provided low-cost housing there after an earthquake in 1992. Since this is a relatively new and fragmented community, social networks are almost non-existent. All the people interviewed had previously lived in other poor areas of Cairo, including informal settlements.

The area is remote and poorly networked with the rest of Cairo. Transportation costs present a huge barrier to accessing the city. There is basic infrastructure for sewage, water and electricity. The main roads are asphalt, with dirt passages between the buildings. The area is much cleaner than El-Ezba and is visibly less poor. There are a number of schools in the area, but subsidized health facilities and medication are not available.

Tenure is insecure for all the poor in the area. There are two housing arrangements: under *zelzal* people pay between LE 35–50 per month in rent depending on which floor they live on;<sup>(76)</sup> under *ekhlaa-edary*, people pay LE 75 per month.<sup>(77)</sup> The rent, which is collected by the government, is considered an instalment for future ownership (rent-to-own). Most poor residents do not pay at all, or pay every few months. All except one of the residents interviewed are indebted to the government for thousands of pounds, and they receive regular warning letters threatening eviction. In only one case had an interviewee experienced further government action, where the apartment door was sealed.<sup>(78)</sup>

## c. Problems identified by residents

The analysis indicates that there are common problems of poverty and vulnerability in both areas, although for different reasons.

**Health** is a major source of vulnerability for all households, especially the elderly. Although government policy makes health care free<sup>(79)</sup> for the poor, free health services are in fact not available. Health problems for an income earner can mean loss of income and medication expenses. Almost all sample households had at least one member with an ongoing health problem. Besides curative services, the government also needs to provide preventive care. In the case of El-Ezba, the inadequate infrastructure and unhealthy environment present a severe health problem; in El-Zelzal the distance from health facilities is a further problem.

**Increasing prices** over the last two years were also regularly mentioned. The poor are paying the price for the currency devaluation and there has been no mechanism, designed either before or after the devaluation, to deal

poverty in Egypt use per capita consumption as a proxy for human welfare. Consumption is arguably a more appropriate indicator than income which can be more difficult to measure for those who operate their own businesses; also, income can be seasonal, and people may be more willing to reveal expenditure than income. See reference 55; also see reference 8.

57. See reference 4, Wratten (1995), page 14.

58. See reference 50, Assaad and Rouchdy (1999). The World Bank estimated poverty to be shallow in Egypt, with a poverty gap index of 2.97 per cent in 1999. See World Bank and Ministry of Planning, Arab Republic of Egypt (2002), *Poverty Reduction in Egypt; Diagnosis and Strategy*, Report No 24234-EGT, World Bank, Washington DC. This means that perfectly targeted cash transfers of LE 350 million per year (0.1 per cent of GDP in 1999–2000) would have lifted everyone out of poverty. This is a doubtful conclusion, when looking at Appendix I, because World Bank estimates for the incidence of poverty are far lower than those in all other studies. If poverty actually is shallow, it would mean that a modest increase in income could lift many people out of poverty, but also that they would be very sensitive to negative changes and could easily fall back into poverty. Furthermore, other studies have much higher estimates for the poverty gap. See references 54 and 55, El Ahwany and El Laithy (2001).

59. See reference 50, Assaad and Rouchdy (1999), page 11.

60. Bibars, I (2001), *Victims and Heroines, Women, Welfare and the Egyptian State*, Zed Books, London.

61. Haddad, L and A Ahmed (2003), "Chronic and transitory poverty: evidence from Egypt, 1997–99", *World Development* Vol 31, No 1, page 79.



<b>Table 1:</b>	<b>Characteristics of the two areas and communities</b>	
	<b>El-Ezba</b>	<b>El-Zelzal</b>
Location	Urban inner-city slum	Urban periphery
Distance from city activity	Central	Remote
Appearance	Dense, with visible sewage and garbage	Cleaner
Infrastructure: water electricity sewage	Some Some None	Yes Yes Yes
Density	Very high	Reasonable
Type of housing	Informal, illegal, haphazard, rented and built by residents	Government-provided, low-budget, formal, legal, all rented (rent-to-own)
Roads	Small dirt passages	Asphalt main roads and dirt passages between buildings
Age of area	Old – many born there	New – since 1992
Social networks	Strong	Weak, fragmented
Access to potential income-earning opportunities	Central location enables access to jobs	Transportation costs prevent access
ID cards	Very few	Majority
Key vulnerabilities	Illegality, police, municipality, impact of environment on health, work in the informal sector	Remoteness (from labour market, health centres), rent, lack of income-generating activities

62. Donor Assistance Group (DAG) in Egypt (2001), DAG Position Paper on Social Development in Egypt for the Consultative Group Meeting.

63. Egypt's food subsidy programme reaches a large fraction of the poor, but it also benefits the non-poor. See reference 50, Assaad and Rouchdy (1999). It is a programme subsidizing four basic products. The social fund for development is a government of Egypt institution created in the early 1990s, and heavily funded by donors focusing on fighting poverty through creating employment through small and medium enterprise creation. None of those interviewed mentioned the social fund for development.

64. See reference 62, page 2. This is only one of the programmes delivered by MOSA, which is also the ministry that regulates

with its effect on the poor. The only measure taken by the government of Egypt was to add one pack of fava beans, lentils and ghee to the monthly food subsidy programme for families, an inadequate response to the impact of prices, which have more than doubled. It seems to be a way of trying to pacify the people, as it has little impact.<sup>(60)</sup>

**The unpredictability of income for those working in the informal sector** is a substantial source of vulnerability. A lack of work for one day has an immediate impact on living conditions. Lack of work for a few days means that children have to work or that the family has to borrow. Daily labour is common and so is street trade. In El-Zelzal, the only option for street trade is within the area, but in El-Ezba people can own or rent a donkey with a cart-on-wheels and sell in the more affluent districts nearby. Despite the recognition that poverty is perceived as high among certain groups in the informal economy in urban areas,<sup>(61)</sup> groups such as street vendors seem to be ignored at best, or harassed by the government, which exacerbates their poverty.

**The lack of information** about their rights and government services also contributes to people's vulnerability. Everyone interviewed in El-Zelzal knew about the MOSA programme but a number in El-Ezba did not. People do not know whom to complain to when a government employee asks for a bribe. One woman applied for SAA and was rejected without an explanation; another family attempted to renew its food ration card but was told that it could not and did not know why. People do not know what documents are required to apply for a specific service, and the government

offices confuse people.

**Education** is expensive for the poor. School fees are not the key concern as they are government-subsidized. The main expense, aside from such expenses as school uniforms, is private tutoring. Underpaid teachers threaten to fail children unless they pay for private lessons. This has been the case for decades. The minimum a child will pay for this service is LE 25.40<sup>(62)</sup> per month for the first three years of school and then it becomes more expensive. The long-term policy involves reforming the education system. In the meantime, there must be a short-term solution to prevent children from dropping out.

**Housing** presents a key risk in both areas, although for different reasons. In El-Zelzal, the risk of eviction is because of an inability to pay the rent. In El-Ezba, where houses have been demolished, it is due to illegality, which also complicates access to ID cards. However, all respondents in El-Ezba said they were unwilling to move to the “new towns” created by the government. One said: *“A two-bedroom apartment in the middle of nowhere will not feed us. This is where our work is, we go out and sell here.”*

This echoes the perceptions of the people in El-Zelzal, who wish they could return to where they used to live. It also explains the failure of the government’s “new towns policy”, adopted as the solution to slums. El-Zelzal’s housing has also created problems of access, a loss of social networks, and indebtedness to the government. All but one of the households interviewed owed the government back rent, which in some cases was as high as LE 13,000.

#### d. Problems specific to El-Ezba

**The municipality and the police** clearly increase the vulnerability of the people in El-Ezba. Municipal officials regularly harass street vendors.

*“Every now and then el hayy decides to confiscate the donkey and cart and the products my husband sells. This is a disaster for us because all of a sudden we are in debt because he takes the product on credit every morning from the watermelon trader so suddenly we owe the trader money and we have to buy a new donkey and cart or we have to bribe the people at the hayy to give them back to us – this is the worst thing that happens to people in this area.”*

Furthermore, their proximity to affluent areas makes residents prime suspects when crimes take place. The police respond by arresting all the men in the area. One woman said: *“They can arrest up to 300 men for a few days until they find the criminal.”*

This is a huge problem because of the dependence on daily income. These mass arrests are possible because of Emergency Law No 162, under which Egypt has been governed almost continuously since 1967. The law gives the authorities extensive powers to suspend basic liberties, including arresting suspects and detaining them without trial for prolonged periods, and prohibiting strikes, demonstrations and public meetings.<sup>(63)</sup>

Another source of vulnerability specific to this area is the **lack of basic services**, especially sewage networks. The community has temporarily resolved this by digging deep holes, but these holes are open and get clogged every few days and sewage then flows into the houses. It costs households around LE 2 to fix the problem – a cost that can end up being more than the rich pay for their sanitation service.

Responses or **coping mechanisms** vary and, as Moser<sup>(64)</sup> suggests, the poor sequence them differently. Vulnerability in El-Ezba is reduced through the social networks. People borrow from neighbours, they form savings

NGOs. It is surprising that there is no mention of its programmes or of the goals it is expected to achieve in the five-year development plan, despite poverty reduction being one of the plan’s main goals.

65. It is also known as *ma’ash el daman el ijtimaiy*, which translates as “the pension for social guarantee”.

66. See reference 60, page 85.

67. See reference 60.

68. Equivalent to US\$ 12 in May 2005.

69. The only data available on these areas are at the municipal (*hayy*) level, and are difficult to access. Also, they are not useful because they are mostly quantitative, and some affluent neighbourhoods in Cairo are also part of the *hayy*. There is a clear need for future quantitative and qualitative research in areas where poverty is concentrated. Poverty in Egyptian cities often co-exists with lower- and middle-income groups. See reference 50, Sims (2003). The same is true for the case study areas, where higher living standards can also be found.

70. Twelve households were interviewed in El-Zelzal. They included: elderly people living alone; divorced women with children, and sometimes their parents; households with disabled adults; an unmarried woman living with the children of her imprisoned sister; families with sick adults incapable of work; widows with their families; families with informal-sector workers; families with people in regular monthly paid jobs; an elderly widow living with her three daughters and their children; and houses with mentally disabled members. Eight households were interviewed in El-Ezba. They included: elderly people living alone or with their daughters’ families; families with informal-sector

workers; families with working children; families with disabled members; and widows and their families.

71. This could be due to the higher female life expectancy.

72. Future research recommendations include increasing the sample size and conducting similar research in a rural setting.

73. "Physical" mainly includes infrastructure, such as water, sanitation and garbage, and housing type; "natural" is the quality of the natural environment; "social" refers to the nature of the community and its capacity to provide support; "financial" refers to access to labour markets, the cost of living, and potential income; "human" refers to access to health, education and skill acquisition (through the labour market); and "political" refers to participation and influence mechanisms. See reference 35; also Rakodi, C with T Lloyd-Jones (2002), *Urban Livelihoods: A People-centred Approach to Reducing Poverty*, Earthscan Publications, London, cited in Mitlin (2003), see reference 25.

74. "Hayy" is the area covered at municipal level.

75. "Manteket El-Zelzal" translates as "the area of the earthquake".

76. The ground floor and the top floor being the cheapest.

77. Payments are based on the reasons why they were given the apartments. The *zelzal* arrangement is for people whose houses were affected by the earthquake. The *ekhlala-edary* "vacated for administrative reasons" arrangement is for those who were forced to evacuate by the government, for example to make way for a new bridge or the Cairo underground.

78. These buildings were constructed by the government for newlyweds but were later used to manage the earthquake housing crisis.

79. People pay a minimal fee

groups and, according to three women, they sometimes cook and sell food right outside their homes – a common indicator of financial distress. Neighbours often try to help by buying food from them. Another community response that seems to work well is *ne'oot*. This is a cash contribution for four occasions: birth, marriage, male circumcision and hospitalization. One of the women said: "This is the only time when we have extra cash. For the birth of my last daughter, I collected more than LE 2,000... maybe I should have another child."

At times of stress, children temporarily stop going to school and go out to work. The easiest immediate work in EL-Ezba is to carry products on a cart for customers in richer neighbourhoods, for which they can earn tips up to LE 5 per day.<sup>(65)</sup> Eventually, children drop out of school permanently in order to work. Other responses include selling household assets and begging.

### e. Problems specific to El-Zelzal

**The lack of access** to the labour market in particular and the city in general is a serious issue. Transportation costs are a considerable barrier to work and other services such as health care. A substantial share of the typical day labourer's income goes on transport. The risk of not finding a job on the day makes working outside Mokattam unrealistic for most of the poor. Within the area, there are limited work opportunities; for example, in one household consisting of a widow and four boys aged 17, 18, 19 and 23, only one worked, in a textile factory. The other boys slept all through my visit. The mother said: "We are in the middle of nowhere here; the boys cannot find work so they sleep." In another house, girls who could not find a job coped by sorting the garbage and selling what they sorted.

**The lack of a community** in this area weakens people's coping mechanisms. Neighbours do not know each other and people's perceptions of one another are extremely negative. Everyone had similar comments:

"People here are not nice"; "We don't know any of our neighbours"; "If I have a problem I don't know who to go to; where I used to live everyone knew everyone's life and problems and helped out"; "Everybody here is in his own world; if someone dies in their apartment no one would even know."

Despite the better housing, the general perception is that life was better where they used to live.

## VII. THE SAA PROGRAMME – A CRITICAL ANALYSIS

AS A RESPONSE to these kinds of vulnerability, the SAA is inadequate in terms of both design and implementation. It appears tokenistic, as it fails to address the needs of the poor and vulnerable, and is clearly not based on any informed research.

### a. Problems in design

The value of the cash transfer is entirely insufficient when compared to any of the poverty lines (PL) devised for Egypt (Appendix I). Table 2 compares three poverty lines with the monthly SAA pension received by five typical households interviewed as part of the research. The poverty lines selected are from the conservative World Bank (2002), the more reasonable ILO

(2001) and the more recent UNDP (2003) subjective poverty lines.<sup>(86)</sup>

Receiving this pension implies that families are incapable of working. For a family that includes a woman, her disabled husband and three young children, the SAA would represent approximately 6 per cent of the subjective poverty line; for a widow with two children, the SAA would represent, at best, 22 per cent.<sup>(87)</sup> As the poverty lines do not factor in unanticipated expenses in the two study areas, such as health services, private tutoring, excessive transportation costs, sewage costs and housing costs, the actual situation is even worse.

Moreover, the SAA pension was not raised to reflect the recent price increases resulting from the currency devaluation. On 1 May 2005, the Egyptian Labour Day, the following announcement was made on the front page of the leading national newspaper:

*"The Ministry of Social Affairs is currently investigating raising the upper limit of the social assistance programme from LE 70 to LE 100. The ministry is also looking to increase the number of beneficiaries by adding more categories of beneficiaries. This comes after raising the budget for this item to LE 1 billion annually."*<sup>(88)</sup>

Ten days later Prime Minister Ahmed Nazif announced an increase in the social insurance fund, which would result in raising the average monthly pensions for the poorest to only LE 60–80.<sup>(89)</sup> This "increase" is clearly not based on an understanding of the vulnerabilities of the poor, and is in no way proportional to the price increases or to inflation. It remains to be seen when it will be implemented.

The SAA beneficiary groups also do not include a number of categories of the poor, such as street children or poor informal workers. According to the World Bank, the direct beneficiaries were 230,000 households,<sup>(90)</sup> which, if multiplied by the average household size of 5.82,<sup>(91)</sup> forms only a small percentage of the poor according to any of the poverty incidence rates. This means that the programme reaches only a small fraction of the poor.

Official paperwork requirements, such as national identity cards and birth certificates, prevent a lot of poor Egyptians from receiving any government services. The process of issuing documents is cumbersome, challenging, lengthy, unclear and expensive, and can be humiliating for the illiterate and poor, causing some people to give up. An estimated 55 per cent of all women do not have an identity card and almost half the population is illiterate.<sup>(92)</sup> Assaad and Rouchdy state that the lack of identity cards excludes the poor from the legal institutions of society.<sup>(93)</sup> All the people interviewed in El-Zelzal had identity cards, but in El-Ezba they were less common. The community leader in El-Ezba told me that:

*"Until a few years ago there were only three women in El-Ezba who had ID cards and I was one of them. My father gave me a beating when I got my ID card when I was at school. He told me: 'Women should not have their own ID cards.'"*

Bibars presents an outstanding gender critique of the SAA programme as well as the Egyptian state, claiming that this programme provides "...a gendered interpretation of roles and needs."<sup>(94)</sup> Women "...have to prove that they are destitute and man-less."<sup>(95)</sup> Divorcees are not welcome if they have initiated the divorce, and if they are younger than 40 they are rarely approved of because they can remarry.

*"One case had five children but was young and pretty and so the MOSA refused to give her the pension because they told her she can re-marry"* (lawyer).

The process can also be very humiliating because of the intrusion into the personal lives of the beneficiaries. According to Bibars:

to see the doctor (LE 1–2), but medicines are never available at subsidized costs where they should be; hence people's health does not improve. There are programmes for people to get "treated at the expense of the government", but the paperwork is lengthy and it deals only with specific kinds of illnesses and operations.

80. Everyone commented that they eat meat only at Muslim feasts, when people donate meat to poor areas; this is because one kilogramme of meat now costs LE 26–28. If this price is compared to the poverty lines detailed in Appendix I, it is quite substantial.

81. See reference 54, El Ahwany and El Laithy (2001).

82. This price is for private lessons monitored by the school and done at the school. Private tutoring with teachers is much more expensive and frequently necessary. If this is compared to the poverty lines detailed in Appendix I, it is a substantial expense.

83. <http://www.hr.org/press/2003/02/egypt022503.htm>

84. See reference 35.

85. It is much more difficult for children in El-Zelzal to find work because the wages do not justify sending them out of Mokattam and, at the same time, little work is available in the area.

86. See reference 58, World Bank (2002); also see reference 54, El Ahwany and El Laithy (2001); and see reference 55.

87. Based on the World Bank's conservative poverty line.

88. *Al Ahram*, front page, 1 May 2005, translated from Arabic.

89. *Ahram-Weekly*, 12–18 May 2005, accessed at

**Table 2: A comparison of the monthly pension received from the Social Aid and Assistance programme with three different poverty lines, for five typical cases**

	Elderly person	Divorced with 1 child	Widow with 2 children	Chronically sick husband with 2 children	Disabled husband with 3 children
Number of people in the household	1	2	3	4	5
Received monthly from the SAA	LE* 50	LE 55	LE 60	LE 65	LE 70
World Bank: <sup>(a)</sup> metropolitan (LE 1,097)	LE 91**	LE 183	LE 274	LE 366	LE 457
SAA as % of poverty line	55%***	30%	22%	18%	15%
ILO: <sup>(b)</sup> upper urban poverty line (LE 1,953)	LE 163**	LE 326	LE 488	LE 651	LE 814
SAA as % of poverty line	31%***	17%	12%	10%	9%
UNDP: <sup>(c)</sup> subjective poverty line (LE 3,073)	LE 256**	LE 512	LE 768	LE 990	LE 1,246
SAA as % of poverty line	20%***	11%	8%	7%	6%

\* LE = Egyptian Pound

\*\* The figures in this row represent the monthly amount this case should be receiving according to the poverty line used (using the formula: annual per capita per year poverty line, divided by 12, multiplied by the number of people in the house).

\*\*\* The percentages in this row are the actual values received, compared to what should be received to reach the poverty line.

(a) World Bank and Ministry of Planning, Arab Republic of Egypt (2002), *Poverty Reduction in Egypt; Diagnosis and Strategy*, Report No 24234-EGT, World Bank, Washington DC.

(b) El Ahwany, N and H El Laithy (2001), *Poverty, Employment and Policy-making in Egypt: A Country Profile*, ILO, Cairo.

(c) UNDP (2003), *Subjective Poverty and Social Capital – Towards a Comprehensive Strategy to Reduce Poverty*, UNDP, Egypt.

<http://weekly.ahram.org.eg/2005/742/eg1.htm>

90. See reference 5, World Bank (2000).

91. The average household size in Egypt is 5.82 persons. See Datt, G, D Jolliffe and M Sharma (1998), "A profile of poverty in Egypt: 1997", Discussion Paper No 49, International Food Policy Research Institute (IFPRI), Food Consumption and Nutrition Division, Washington.

92. Loewe, M (2000), "Social security in Egypt – an analysis and agenda for policy reform", The Economic Research Forum for the Arab Countries, Iran and Turkey, accessed at <http://www.erf.org.eg/html/blabor7.pdf>, pages 4–5.

*"The most extreme expression of this is the spinster's 'chastity pension', where a woman must conform to conservative modes of behaviour and prove with a doctor's certificate that she is a virgin."*<sup>(96)</sup>

Deserted women will be considered only if they have been deserted for more than four years and they have to suffer the humiliation of MOSA employees visiting their neighbours for verification. This adds to the stigma that is associated with the programme. It also means that bad relations with the neighbours can affect whether or not the application is approved.

## b. Problems in implementation

In addition to the design flaws, people's interactions with unaccountable and unresponsive state institutions present a major difficulty.<sup>(97)</sup> A visit to the MOSA office revealed ten women employees sitting there doing nothing. This form of disguised unemployment is due to earlier policies in Egypt whereby the government was the employer of last resort.<sup>(98)</sup> These employees' moods, perceptions, judgements and interpretation of policy affect the poor. The often hostile environment is also a filtering mechanism, and beneficiaries are viewed as "charity receivers" of "the state's largesse".<sup>(99)</sup> Divorcees and deserted women are seen as failures, while widows and spinsters are seen as victims and helpless women.<sup>(100)</sup> The majority of those interviewed seemed to dread the MOSA office.<sup>(101)</sup>

Another problem lies with the programme's lack of information dissemination and outreach. Some eligible cases did not know that the programme existed, and once people do get to know about it, the next problem is working out what documentation is required, as this is not written down anywhere.<sup>(102)</sup>

An evaluation of this programme contributes to an understanding of the negative relationship between the poor and the state. Bibars calls it a case of "mutual distrust", where the state abuses people and people openly steal (water, electricity, etc.) from the state. Many people have managed to deal with the system through informal networks of information and by representing themselves as being in a worse state than they really are.<sup>(103)</sup> Without doubt, the SAA needs revising.

## VIII. CONCLUSION

THIS PAPER HAS attempted to analyze and assess the main government of Egypt programme that addresses the most vulnerable, by comparing what it offers to the actual needs and vulnerabilities of the poor.

Fieldwork in two different areas of Cairo reveals that poverty, even within the same city, is very diverse. Several problems were common to both areas, including increasing prices, the lack of information, the unpredictability of people's incomes in the informal sector, and the poor quality of the health and education services; housing was also a problem in both areas, although for different reasons. However, there were some important differences. El-Ezba suffered primarily from illegality, from the lack of basic infrastructure and from an unhealthy environment that led to substantial health vulnerabilities and increased the cost of living. El-Zelzal suffered mainly from a lack of access to the city and to the labour market. The weak social relations there also resulted in weaker coping mechanisms. This diversity, however, is not addressed by the government's programme. In the context of the vulnerabilities of these two areas, the SAA was shown to be highly inadequate.

Poverty has to be addressed both in the short term and in the long term. Poverty in Egypt, as a result of the devaluation of the Egyptian pound in 2001, is estimated to have got worse. Hence there is an increasing urgency to address poverty. Social safety nets, adequately designed and delivered, are an essential component of a poverty reduction strategy. Until the long-term development goals are achieved, there must be policies to ensure that the poor survive. The focus on economic growth is not sufficient to address the immediate needs of the large, and probably increasing, number of poor people in Egypt. The short term needs more attention in the form of adequate policies and programmes as well as in terms of improving the service delivery mechanisms of the government bodies that deliver them. The government of Egypt must also review where its actions actually contribute to the vulnerability of the poor. Moreover, "the poor" or "the vulnerable" are terms that conceal a lot of diversity; the unexamined use of these terms can result in generic broad policies that do not address the real needs of the poor. What remains unclear, though, is what will put sufficient pressure on the government of Egypt to address poverty effectively.

93. Illiteracy and inability to handle Egyptian bureaucracy alienates many people. This makes it difficult for them to obtain legal documents and, hence, creates many obstacles to, for example, opening bank accounts or getting a divorce. See reference 50, Assaad and Rouchdy (1999), page 32.

94. See reference 60, page 84.

95. See reference 60, page 86.

96. See reference 60, page 86.

97. This is recognized in the 2000 World Development Report, Chapter 6. Decentralization "...to enhance state's capacity to accelerate local development" (page 106) and reforming public administration systems (better compensation, more incentives, curbing corruption) are suggested as the key solutions. Decentralization presents many challenges because low-level bureaucrats can abuse the power they are given. Hence, even though decentralization in Egypt is needed, it should be implemented with care. See reference 5, World Bank (2000).

98. Pritchett, L (1997), "Where has all the education gone?", Policy Research Working Paper No 1581, World Bank, Washington DC.

99. See reference 60, page 84.

100. See reference 60.

101. This is not to say that all government employees are unresponsive.

102. The NGO lawyer is of the opinion that "...they do not give us the rules in writing because you can then question what they do.... So long as you do not have them, they are always in control of you."

103. See reference 60, page 99.

Appendix I: Summary of poverty line studies								
Study	Poverty lines				Poverty incidence			
World Bank (2002)	1999/2000 (LE* per capita per year)				1999/2000 (%)			
	Metropolitan <sup>(a)</sup>	1,097			Metropolitan	5.1		
	Lower urban	1,013			Lower urban	6.2		
	Lower rural	968			Lower rural	11.8		
	Upper urban	1,021			Upper urban	19.3		
	Upper rural	953			Upper rural	34.2		
UNDP (2003)	2002 (LE per capita per year)				2002 (%)		Subjective	
		Lower PL**	Upper PL	Subjective PL		Lower PL	PL	
	All Egypt	1,116	1,574	1,723	All Egypt	20.4	31.8	
	Metropolitan	1,223	1,799	3,073	Metropolitan	5.7	42.5	
	Lower urban	1,111	1,585	1,847	Lower urban	9.8	33.7	
	Lower rural	1,073	1,464	1,394	Lower rural	16.6	30.7	
	Upper urban	1,140	1,718	1,528	Upper urban	19.2	36.1	
	Upper rural	1,061	1,439	1,048	Upper rural	34.9	23.3	
ILO (2001)	1999/2000 (LE per capita per year)				2000 (%)			
		Food PL	Lower PL	Upper PL		Lower PL	Upper PL	
	Urban	902	1,297	1,953	All Egypt	20.1	49.6	
	Rural	707	955	1,325	Metropolitan	9.0	31.3	
					Lower urban	17.9	57.9	
					Lower rural	11.3	44.6	
					Upper urban	36.3	69.3	
					Upper rural	34.7	69.1	
EL Laithy and Osman (1997)	1995/1996 (LE per capita per year)				1995/1996 (%)			
		Lower PL	Upper PL			Lower PL	Upper PL	
	Urban	968	1,325		All Egypt	22.9	48.0	
	Rural	696	924		Metropolitan	16.0	34.2	
					Lower urban	21.7	48.2	
					Lower rural	15.4	40.0	
				Upper urban	35.0	59.6		
				Upper rural	33.7	63.8		

\* LE = Egyptian pounds

\*\* PL = poverty line

(a) Urban/rural/metropolitan describes the governorates. Cairo would be considered metropolitan.

The poverty headcount index measures the incidence of poverty based on three different poverty lines: the food poverty line, which is based on a basic food caloric intake level; the lower poverty line, which is derived by adding to it the basic essential non-food goods; and the upper poverty line, which allows for a more generous non-basic food component. Other measures used in tandem are the poverty gap index, which measures the depth of poverty, i.e. the gap between the poverty line and the mean income of the poor; and the poverty severity index, which measures the degree of inequality in distribution below the poverty line, giving greater weight to the households at the bottom of the income (or expenditure) distribution (UNDP (2003), see below).

SOURCES: Handoussa, H (November 2003 draft), *Poverty Reduction Action Plan for Egypt (PRAP) – Analytical Review of Recent Development Literature on Egypt with Focus on Poverty*, UNDP, Cairo, unpublished; also El Ahwany, N and H El Laithy (2001), *Poverty, Employment and Policy-making in Egypt: A Country Profile*, ILO, Cairo; Assaad, Ragui and Malak Rouchdy (1999), "Poverty and poverty alleviation strategies in Egypt", *Cairo Papers in Social Science* Vol 22, No 1, American University in Cairo Press, page 40; UNDP (2003), *Subjective Poverty and Social Capital – Towards a Comprehensive Strategy to Reduce Poverty*, UNDP, Egypt; World Bank and Ministry of Planning, Arab Republic of Egypt (2002), *Poverty Reduction in Egypt; Diagnosis and Strategy*, Report No 24234-EGT, World Bank, Washington DC; Datt, G, D Jolliffe and M Sharma (1998), "A profile of poverty in Egypt: 1997", Discussion Paper No 49, International Food Policy Research Institute (IFPRI), Food Consumption and Nutrition Division, Washington; and El Laithy, H and M O Osman (1997), *Profile and Trend of Poverty and Economic Growth*, INP, UNDP, cited in Assaad and Rouchdy (1999), see above.

