

Assessment of Policy Implementation of Ubudehe Program and its Impact on the Lives of VUP Beneficiaries in Ngororero District, Rwanda

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In the past two decades, the main lesson that Rwanda has been trying to offer to other post conflict countries is that sustainable progress can be built on a strong leadership where leaders and citizens have a shared vision of the future and of how to arrive there. An adequate local capacity is critical in making it happen and in creating a social capital. Ubudehe, a traditional practice of working together that existed in Rwanda for centuries was recently revived by the government adopted as an approach to fight poverty at community level. It aims at reviving and fostering effectiveness of the program at the community level, to build trust in communities through transparency, and accountability local institutions and help local people act to alleviate poverty.

The paper examines the factors that contributed to the successful implementation of ubudehe program social protection intra-community cooperation based on collective and individual actions and its impact on the lives of VUP Beneficiaries in Ngororero District in Rwanda. Results show that the Ubudehe program became successful as a result of the decentralization policy of the Rwandan government that activated collective action at the community level by developing bottom-up budgeting and planning systems to address communities' needs as well as resource mobilization that facilitated programme implementation and building the capacity of the population and entities which implement programmes. The role of government in the process is enabled providing an environment for socio-cultural rights and obligations of citizens towards one another.

Its impact on the lives of the beneficiaries is traced on their evolving increase in per capita expenditure on a monthly basis and changes on their socio-economic aspects.

Key Words: Social Security, Ubudehe, Collective action, Decentralization.

Introduction

The Government of Rwanda is committed to eliminating poverty and reducing inequality, and has taken numerous interventions aimed at improving the economic development and poverty reduction and these include Vision 2020, Millennium Development Goals (MDGs), Economic Development and Poverty Reduction Strategy (EDPRS), Government programs such as one Cow per poor family, Vision 2020 Umurenge Program, “Ubudehe” Program, Mutual Health insurance and private sector programs.

The government’s National Social Protection Strategy 2011 describes the purpose of the social protection sector as being to ensure that: All poor and vulnerable people are guaranteed a minimum income and access to core public services, those who can work are provided with the means of escaping poverty, and that increasing numbers of people are able to access risk-sharing mechanisms that protect them from crisis and shocks (MINALOC 2011).

To achieve this, the government delivers a core set of social protection programs through Ministry of Local Government (MINALOC), supported by a number of complementary initiatives delivered by other ministries. The global objective of the social protection sector is “to build a social protection system that tackles poverty and inequality, enables poor to move out of poverty, helps reduce vulnerability and protect people from shocks, helps improve health and education among all Rwandans, and contribute to economic growth (MINALOC 2011).

The VUP features as a flagship program under the Economic Development and Poverty Reduction Strategy (EDPRS) covering the budget years 2013-2017 and it uses the existing decentralization system and leverages technical and financial assistance to accelerate the rate of poverty reduction in the country. The aim is to eradicate the extreme poverty by year 2020 and it has the following objectives: (Government of Rwanda, 2007).

- ✓ Contribute to the reduction of extreme poverty from 36.9% (2005/2006) to 24% (2012);
- ✓ Stimulate changes in the effectiveness of poverty eradication (coordination, interconnectedness of services, mindset change);

- ✓ Ensure that economic growth is pro-poor and that the majority of the population has improved their living conditions as a result of GDP growth.

The Households eligible beneficiaries for the program are identified through a community based-social mapping exercise called “**Ubudehe**” that classifies households into 6 well being groups. All households allocated to the bottom two categories are eligible for the program.

The support is unconditional but beneficiaries are supported to participate in free literacy programs and attending classes on health and nutrition. The targeted beneficiaries are composed of old people, chronically sick, children headed households and people with disabilities. This program is entitlement – based, any household that meets the criteria is eligible for assistance; while public works and financial services are not entitlement – based programs due to budget constraint.

The direct support cash transfer is based on the rationale that many of the poorest can be helped to help themselves meet survival and livelihood protection needs and some have the potential to eventually graduate out of poverty if given the right support. There is no cap on the number of beneficiary households.

The program transfer is paid monthly into a bank account, cooperative or microfinance institution and its value is pro-rated according to the number of people in the household and up to a maximum of five beneficiaries per household, for instance, a household benefit of one person is set at **7500 RwF (\$12.5)** per month and the maximum household benefit of five people or more is currently set at **21,000 RwF (\$35)** per month.

Since the introduction of the program, some analysis has already been conducted on the program; however, the gap remain in the literature, that is, conducting the detailed modeling on the impact of non – contributory social cash transfer on poverty reduction (Poverty headcount, Poverty gap and Poverty severity) among the beneficiary households. It would be therefore important to assess whether or not the social cash transfer interventions has made any impact on the livelihoods of beneficiary households since it was established in 2009.

Results

Households receiving Vision 2020 Umurenge Program (VUP) Direct support in Ngororero District.

Observation (VUP Beneficiaries) = **122** Households out of the **14308** total population. This gives us .5%. Those currently receiving VUP are only **74** households out of the **122** households meaning that the 48 households made a transition from being supported.

- The household's expenditure was used to estimate their income. We therefore based on the official amount of cash transfer given to the poor household's equivalent to **7500** per months in relation to their expenditures.
- $7500 * 12 \text{ months} = \text{Rwf } \mathbf{90,000}$

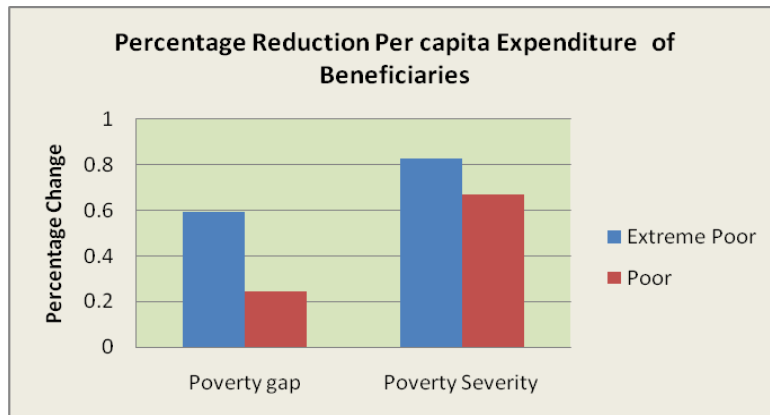
Average per capita expenditure of beneficiary Households is Rwf **483,252.2** annually.

Expenditure of these Households

The poverty line used here is the same one used in the analysis of the EICV1 survey in 2001, which was **64,000** RwF per adult per year in January 2001 prices. This poverty line was set with reference to a minimum food consumption basket, which was judged to offer the required number of calories required for a Rwandan who was likely to be involved in physically demanding work, along with an allowance for non-food consumption. An extreme poverty line was also set as the cost of buying the food consumption basket if nothing was spent on non-food at all; this line was **45,000** RwF per adult per year in January 2001 prices.

Deducting VUP/Direct support from these Households (Assume no savings i.e. income = expenditure

- $483252.2 - 90000 = 393252.2$
- $393252.2 / 12 = 32771.017$ per months excluding direct cash transfer. This means that, if we excluded the financial support from the beneficiaries all the 74 households would fall into poverty because only people who survive above 2 Us dollars are counted to be out of poverty and \$(2) is equivalent to Rwf(1200) $1200 * 30 = 36000 > 32771.017$.



Conclusions

The results from the findings of the study revealed that the VUP/Direct support cash transfer is making significant impact among the beneficiary households.

The research questions that the study sought to reply points to the fact that, the cash transfer is making a difference among the beneficiary households and their members.

Based on the results of the analysis, there is a clear relationship between the income (VUP/Direct support cash transfer) that the beneficiary households are receiving and the expenditure of the beneficiary households with their members. Thus, the study shows that the higher the income, the higher the expenditure and the opposite is true. The study also revealed that, the household size has a significant influence on the per capita expenditure. Thus, the higher the household size, the lesser the per capita spending by the households and the reverse is true.

Analysis on the poverty measures reveals that the cash transfer has been able to reduce the headcount poverty of the beneficiary households by **18.6%**. However, due to the inadequacy of the cash transfers, the impact of bridging the poverty gap between beneficiary households and poverty line is very minimal. Also the percentage reduction on VUP/Direct support and its impact on the status of the beneficiaries from the poverty line in comparison to the population show that the poverty gap of the poor beneficiary households is greater than the population poverty gap due to the following reasons:

- Few poor beneficiary households are below the poverty line with extremely low levels of consumption; this could later influence the increase of the poverty gap rather than reducing it.
- The cash transfers regularly provided to the poor beneficiary households are relatively small, with lower average per capita expenditure due to higher household size, thus greater increase in the poverty gap.

The study findings from the analysis also confirmed that the introduction of VUP/Direct support cash transfer in Rwanda has reduced poverty among the beneficiary households and their members. The measured impact is greatest when using the headcount as an indicator, while the poverty gap and poverty severity measures yield smaller results. The choice of poverty line can also heavily influence the measurement of the quantitative impact, e.g. the poverty line used for the poor beneficiary households is different from the one used for the extremely poor households and the population.

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