

Role of Social Assistance Programs in Poverty Alleviation in Jordan

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Abstract

Early of 1980's poverty in Jordan was not seen as a problem, where interest was emphasizing on income distribution. However, since the late of 1980's poverty became one of the challenges facing the Jordanian economy. The Government of Jordan set up social assistance programs which are cash benefits programs designed to assist the most vulnerable individuals and families meet a certain level of subsistence and improve their living standards. The majority of these programs are administrated by the Ministry of Social Development (MOSD), the National Aid Fund (NAF), and the Zakat Fund (ZF). This paper attempts to quantify the impact of these programs on poverty alleviation in Jordan. In this paper a counter-factual "combined approach" has been employed to study the impact of social assistance programs (MOSD), (NAF), and (ZF) on poverty alleviation for different groups in Jordan. The paper concludes that the social assistance programs has reduced the overall poverty level for group 1 by 5.8 percentage, group 2 has reduced the overall by 2.9 percentage, and group 3 has been marginally decreased by 0.1 percentage. Likewise, the net impact of social assistance programs on group 4 and group 5 depicts an increase due to redistribution, which is the expected result. Based on these results a set of recommendations were proposed.

Keywords: Social assistance programs, poverty alleviation, Jordan

Introduction

The measurement of poverty is inherently difficult and Jordan does not have an official or widely accepted definition of the poverty line. This article uses poverty lines calculated with World Bank methodology. The 1990 World Development Report used two poverty lines for developing countries based on specific data for several countries. The general poverty line was estimated to be US\$370 per capita per year in 1985 prices, while the severe poverty line was US\$275(World Bank, 1990). While these measures have the advantage of permitting international comparisons, they may not accurately reflect the situation in any particular country. However, a significant part of the difference can be attributed to the fact that these estimates refer to different years and may be affected by the price changes that took place in the meantime, as well as the fall in household expenditures by 27 percent and the increase in the Gini coefficient of inequality from 0.36 to 0.43 (World Bank, 1994).

Poverty in Jordan has been described as "income" poverty; that is, low family income rather than unemployment. Jordan is ahead of most other developing countries in terms of the usual indicators of poverty. Literacy is high, health status is high, Even remote areas have electricity and access to improved water sources. The challenges in Jordan, however, are still multiple. There is no question that more jobs in the private sector need to be developed in order to alleviate the burden on the government as the main provider of jobs. The issue is not as simple as raising wages that might push some people who are now employed out into the ranks of the unemployed. Jordan's Poverty Alleviation Strategy supports economic adjustments by addressing social issues, such as family planning, in order to contain population growth (Robinson, 2001). Fifty seven percent of the poor in Jordan live in homes with five or more children. Large families not only reduce the value of the family's income, but also use up the very scarce natural resources such as water and arable land. The strategy provides income supports that include those who work and are

still under the poverty line, but it also addresses actions that the society must undertake if it is to make the most of its economic growth.

Early of 1980's poverty in Jordan was not seen as a problem, where interest was emphasizing on income distribution. However, since the late of 1980's poverty became one of the challenges facing the Jordanian economy, due to certain politics and procedures taken to tackle the economic deterioration, these policies were harmful for low income and vulnerable groups of the society. Actual and Percival changes in poverty in the 1990's were influenced by the economic crisis in the late 1980's , structural adjustment and social protection policies implemented in the 1990's , and external changes such as the return of Jordanian workers from Kuwait following the 1990/1991 Gulf War and the Middle East Peace Process (Daskupta, 2002) . Jordan's economic crisis in the late 2011 led on overall declines in average income, a substantial increase in poverty, and worsening inequality. Between 2000 and 2011, averages per capita expenditure fall by 22 percent. The head count index of poverty increased from 3.7 percent to approximately 5 percent, and inequality increased (World Bank, Poverty Assessment, 2011).

According to the World Bank's parameters, the official poverty line for a country is calculated by combining the cost of the minimum caloric intake required for an individual adult with the cost of very basic goods, such as shelter and healthcare. Based upon this framework, the poverty line in Jordan for 2008 was USD 2.6 a day. According to the 2011 report, 13.3 percent of Jordanians spend less than USD 2.6 a day, placing these individuals below the official poverty line. 37.5 percent of Jordanians fall on the threshold between poverty and the middle class (spending less than USD 5.6 a day) (IMF, 2011). With limited asset ownership, at .5 percent of total income, along with low levels of spending, Jordan's lower and middle class families will be in a particularly precarious situation should the cost of living continue to increase.

The Government of Jordan set up social assistance programs which is cash benefits programs designed to assist the most vulnerable individuals and families meet a certain level of subsistence and improve their living standards. The majority of these programs are administrated by the Ministry of Social Development (MOSD), the National Aid Fund (NAF), and the Zakat Fund (ZF).

Objectives of the study

This paper attempts to quantify the impact of Ministry of Social Development (MOSD), the National Aid Fund (NAF), and the Zakat Fund (ZF) programs on poverty alleviation. More specifically, the main objectives are:

1. To highlight the programs of MOSD, NAF, and ZF.
2. Assessment of the impact of MOSD, NAF, and ZF programs in poverty alleviation.
3. To show the impact of these programs on poverty by using the method of "before-after" and "with-without".
4. To suggest measures to improve the policy design of poverty alleviation schemes.

Research methodology

In this paper "Role of social assistance programs in poverty alleviation in Jordan" a counter-factual "combined approach" has been employed to study the impact of social assistance programs on poverty alleviation. This methodology used first by Shirazi and Khan (Shirazi and Khan, 2009). This approach combines the "with-without" approach and "before- after" approach provides information. The "with-without" approach provides information on the poverty status of target group and compares it with the poverty status of control group. This methodology will enable the researcher to capture the net impact of social assistance programs in poverty alleviation. More specifically the following formula has been used to find the net impact of social assistance programs.

$$SPA = (I_{g_{t1}} - I_{g_{t0}}) - (Ing_{t1} - Ing_{t0})$$

Where SPA is net impact of social assistance programs on poverty of target group; Ig_{t_1} is the poverty status of target group with current income level; Ig_{t_0} is the poverty status of target group with previous income level; Ing_{t_1} is the poverty status of control group with current income level; Ing_{t_0} is the poverty status of control group with previous income level and t_1 represent the year of 2011 and t_0 stands for the year of 2011.

Review of Literature

A few studies have been conducted to quantify the impact of social assistance on poverty alleviation in Jordan. The most notable studies are:

AL-Habees M.,(2012), “Urban poverty in Jordan: a case study of the cities of the southern territory of Jordan ” This study aimed at shedding light on the phenomenon of urban poverty in the southern territory of Jordan through analyzing the factors affecting the level of poverty of urban families in order to account for this phenomenon. The study was based on four hypotheses to detect the nature of the problem using a descriptive analytical method. The study community was defined as all urban populations over five thousand people to be distinguished from the rural communities. In reality, the number of these communities was 16 urban communities in the study area. Eight urban communities of them were selected. 1588 questionnaires were distributed, and the sample was defined as 5% out of all urban communities. 1500 questionnaires were recovered and, of course, were suitable for statistical analysis. The study used questionnaires to collect data. The study drew several conclusions; of these most notably ones is the existence of a significant relationship between economic factors and increasing rates of urban poverty and the existence of a relationship between government policies to deal with this phenomenon and the increasing rates of urban poverty. The main recommendations of the study were to find out new ways and mechanisms in order to tackle this phenomenon.

The main objective of Samuel Laber in his study (2010) “Fighting Rural Poverty in Jordan: A strategy for improving drip irrigation technology based on the concerns of the rural poor” was to combat rural poverty in Jordan pertaining to small-scale farmers by compiling a list of the main technological issues related to drip irrigation systems. My inspiration for this topic stems mainly from Dr. Polak's philosophy which focuses on alternative approaches to fighting poverty. Fieldwork for the project consisted of observations and interviews. I spoke with two poor farmers and one wealthy farm owner to present contrasting viewpoints, while also consulting with several irrigation experts in Amman and Azraq. The main result of this research identifies a major breakdown in communication between irrigation experts and poor farmers, which has led to several undiscovered and unreported drip irrigation system malfunctions. There are three main reasons for this lack of communication: organizational strategies that do not address poor farmers, a misrepresentation of poor farmers' issues by wealthier farm owners, and a hesitation from poor farmers to seek professional assistance. To address these issues, I recommend an increased focus on pilot projects that address each specific, regional issue. The study concludes by advocating the more grassroots approach to rural poverty management, which directly involves the farmers by showing them how to improve their productivity with on site pilot projects.

Salameh, (2010),”Socio-political dimension of urban development in slums”, which deals with the social dimensions of the political development of urban slums is based on the fundamental assumption that the distinction between living in urban planning is resulted from poor, deliberate and prior planning because who owns power and influence achieves his interests and the interests of those people who are allied with him at the expense of the poor. The study found out that the force is the basis of discrimination among the living,

and who wants to improve the conditions of the neighborhood where he lives, he must acquire the power, and this is confirmed by improving the conditions of the poor when they gathered and created clusters to address the injustice and exploitation.

AL-Nuaim, (2009), "Urban poverty and its connection to internal migration: a sociological study of some of the inner-city neighborhood of Riyadh" identifies the causes of the Poor's migration Riyadh. He states that these causes are represented by a set of expelling factors such as unemployment, harsh living and the lack of aid and a set of attractions such as the availability of work in Riyadh, the emergence of developmental programs, and aids, etc. The study concluded drafting a set of recommendations; of which are: urging the concerned and relevant ministries to develop programs which reduce internal migration, geographically expanding in provision of services of charities, conducting research into areas exporting poverty in order to detect the size and depth of poverty and social and economic structure of population, and guiding the development projects for these areas, with what is required of education, awareness and coordination between relevant administrative bodies.

Abu-Al sondos, & Abu-Kharmeh, (2008), "Data Flow Mechanism for Poverty Monitoring in Jordan" aims at exploring the role of the government and non-government institutions in monitoring poverty in Jordan. It also aims at establishing a poverty monitory system to effectively reduce poverty in Jordan. The study critically reviews the current data and methodologies applied for poverty reduction and propose an institutional framework mechanism and data flow research analysis covers essential dimensions needed for poverty Monitoring reduction in Jordan.

Shtayeh, (2007), "The phenomenon of urban poverty and its impact on urban development in the city of Nablus" indicates a negative relationship between urban poverty and urban development of the city of Nablus. Also, it shows presence of significant differences between the average income of family and the residential area, income of the head of the family and his/her educational level, the number of employees in and average spending for them.

AL-Hunaiti & AL-Abedrazzq, (2007), "Identifying indicators of poverty in the rural South Jordan" reveals a combination of factors having the greatest impact in distinguishing poor families from non-poor ones and in community development in the region. The study recommended the need to take a developmental plan of these factors into consideration when planning for community development in remote areas of the southern territory in Jordan to reduce the effects of poverty.

The World Bank in a study "Poverty Alleviation in Jordan", (2002), appointed that there is widespread belief that poverty actually increased in Jordan during the mid-1990s. This belief is partly in reaction to declining overall per capita income since 1996 in the context of expectations of rapid economic improvement following the 1994 Jordanian-Israeli Peace Treaty. In addition, poverty in Jordan in 1997 remained far higher than it was in 1987.

The Development Program at the United Nations (UNDP, 1999), conducted a study in 1999 aiming at identifying the reality of the poor in urban areas. Such a study identifies the reality of urban settlements in Egypt, Yemen, Jordan, and Sudan. Indeed, the study shows that the category of the urban poor is the lowest categories concerning income, as this category inhabits often two types of housing: bad-conditions housing and slums. The study provides some important recommendations; of which are the need to open a land market available to all people and adoption of methods of self-financing and cost recovery in shelter programs because they reduce the burden on the state.

Social assistance programs in Jordan

This public expenditure perspective examines spending programs that are within the social assistance sector. International organizations define social assistance with various terminologies, but in the context of this

paper, social assistance is cash benefits and service programs designed to assist the most vulnerable individuals and families meet a certain level of subsistence (generally the absolute poverty level) and to improve their living standards. These are tax-financed (for the most part) transfers to those with very low or no income. The majority of these programs are administered by the Ministry of Social Development (MOSD), the National Aid Fund (NAF) and the Zakat Fund (ZF). Looking at several line items in the National Budget, expenditures in the category of social benefits (pensions and compensation plus social assistance benefits) as a share of total Government spending have remained relatively constant over the last ten years. Table 1 show National Budget entries for expenditures on pensions/compensation, broad social assistance and total Government spending.

Table 1 - Social Benefit and Government Spending

JD.Million

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Pensions and compensation Exp.	320.7	345.7	377.4	416.7	490.6	516.6	654.7	708	744.6	816.9
Social assistance	49.4	33.2	74.1	131	242.2	221.1	248.8	268.5	225.0	235.5
Total government Exp.	2221.9	2442.4	3112.6	3478	3860.4	4540	5431.9	6030.6	5708.0	6797.6

Source: National Budget Income and Expenditure Tables, 2011.

Over spending on social benefits as a percentage of total government spending has averaged about 16.1 percent per year. If pensions and other compensation are removed, then social assistance alone has averaged about 3.4 percent of Government spending annually. Annual growth rates in social assistance spending as compared to growth in overall Government spending and pension program spending, however, have been somewhat uneven. This reflects discretionary spending on social assistance programs versus obligated funds for pension benefits. Increases and decreases in social program expenditures are made when necessary to adjust to economic circumstances. In 2011, social assistance spending increased significantly to 3.4 percent of GDP, reflecting slower economic growth and greater spending on programs to help the poor. This can also be seen clearly in individual program, growth and greater spending on programs to help the poor.

From table 2 total expenditures for all programs equal 118.5 million JD in 2010. Total actual spending levels for all three programs increased sharply in 2008, and remained at higher levels in 2009 and 2011 as the world-wide economic crisis began and economic growth began to slow in Jordan. The period from 2008 saw increasing fuel costs and some subsidies, such as bread and fuel, were lifted. Part of the Government's response was to increase spending in social assistance programs. In 2011, the National Zakat Fund received a very large single donation and was able to increase expenditures dramatically on in-kind assistance for foodstuffs.

Table 2: Social spending from 2002 to 2010

JD Million										
Expenditure For all programs	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
MOSD total spending	9	8.2	9	8.6	10.9	13	23	28.8	23.2	24.02
NAF total spending	43.9	54.3	60.8	59.7	57.8	57.2	79.0	87.2	81.1	85
NZF total spending	0.62	0.9	1	1	1.1	1.8	2.6	2.4	5.6	9.5
Total spending	53.3	63.4	70.8	69.3	69.8	72	104.6	118.4	110	118.5

Source: National Budget Income and Expenditure Tables, 2011.

Programs of Ministry of Social Development

The Ministry of Social Development (MOSD) administers a range of social assistance services and benefits to poor disabled, unemployed, elderly, battered women and children, orphans and children of broken families, babies in nursery care and juvenile offenders. The Ministry manages four major programs and additional directorates that are part of a fourth program which coordinates the work of most program directorates (see table 3).

Table 3: MOSD Programs

program	Data (2011)
Handicapped Affairs – Provides and supervises care, rehabilitation, and diagnostic centers and shelters to disabled youth as well as adults. Operating a total of 27 centers and affiliated with over 100 centers in the private sector	- 1,561 persons - JD 6,950,000
Community Development & Combating Poverty –Works with local charities, societies and individual families to provide micro to medium-size loans, help with housing and income-generating projects	- JD 5,630,000
Family & Childhood – Provides and supervises care facilities for orphans and children from broken homes or abuse. Also licenses and supervises nurseries for children and newborns. Operates care centers and supervises nurseries.	- 1,400 children - JD 3,190,000
Social Defense – Provides care and protection facilities and services to abused children, battered women or from broken homes, and juvenile offenders in reform and rehabilitation centers. Provides assistance through its 56 centers and offices.	- 18,000 persons - JD 2,700,000

Source: MOSD Programs Data, 2011.

The four principle programs within MOSD are Handicapped Affairs Program, Community Development and Combating Poverty, Family and Childhood Protection, and Social Defense. Three of the four programs are managed by a specific administrative directorate, but the Community Development and Combating Poverty program encompasses the efforts of all directorates, including several (described below) that exist under this program. Coordination of the programs under this large umbrella program is provided through a weekly meeting of the Minister of MOSD, program managers, and field representatives.

Table 4 shows MOSD total actual and capital expenditure from 2008 to 2011. Total expenditures for 2011 came to 24.02 million JD. All programs have large shares of the MOSD budget, but the two largest programs are Handicapped Affairs and Community Development and Combating Poverty. The second program has expenditures related to other departments as well, so it could be that the budget reflects these expenditures.

**Table 4: MOSD Annual Actual, Estimated, and Indicative Expenditure
JD Million**

MOSD Actual Exp. (Million)	2008	2009	2010	2011
Handicapped Affairs	7.9	9.44	6.71	6.95
Community Dev & combat poverty	6.62	3.44	5.44	5.63
Social Defense	3.81	4.26	2.64	2.73
Family and Childhood	0	5.8	2.9	3.1
Total for Ministry	23.04	28.83	23.22	24.02

Source: MOSD Programs Data, 2008-2011.

Handicapped Affairs Program. Provides and supervises day care facilities help educate, rehabilitate, and train disabled youth from 4 to 18 years of age, vocational rehabilitation centers for disabled of 14 years of age and older, additional physical care and community support in diagnosis center and shelters and day care facilities for disabled in need of food and shelter. Some 27 centers are under the operation of MOSD, while 48 centers are licensed and supervised by the program in the private sector, 81 centers are working with local and international organizations and NGOs providing care and training for the disabled.

Under the Handicapped Program, projections for expenditure targets are made from a baseline year (current year) with 5 to 10 percent added depending on how many new beneficiaries and centers are possible. Operating costs of the centers and agreements in place with private vendors/providers, plus staffing costs, determine a large portion of the expenditures. Economic conditions, from year to year, also are evaluated,

such as with the recent economic crisis and downturn. As part of its 2011 National Budget submission each department also has updated its performance indicators.

Community Development and Combating Poverty

The umbrella program acts as a coordinating organization for several directorates at MOSD including Handicapped Affairs, Family and Childhood Protection, Social Defense, Production Enhancement and Associations and Buildings and Housing Directorate. Every week, the Minister of MOSD holds a coordinating meeting directorate managers and field representatives to discuss program issues and ensure that programs provide poverty alleviation support to achieve results without duplicating efforts. The main thrust of this program is to organize and work with the private sector associations and local societies to combat poverty and insure income-generating projects and an adequate supply of homes is available.

The Production Enhancement and Associations directorate implements its program through grants to societies for lending to individuals with project plans, loans to associations for commercial, industry, utility or agricultural use and loans to families to make them more productive. Grants are given to local societies for lending out approximately 5,000 to 10,000 projects in 2011 received one-time lending to establish businesses in the amounts of 10,000 to 20,000 JD. Under the productive families program, small loans in the amount to 1,000 to 4,000 are provided for agricultural usage. Collection success is about 80 percent overall. For the Productive Families program, if the lender dies during the first year, the repayment may be forgiven. In terms of overall expenditures for the directorate, during the period of 2005 to 2011, about 702,000 JD were lent to 418 projects. Allocations for 2010 were 500,000 JD and for 2011, 550,000 JD. The Building and Housing Directorate has the largest share of total Community Development and Combating Poverty programs, but no information was available at this writing.

Family and Childhood Protection. This program provides and supervises care facilities for orphans and children who are abused or come from broken families, oversees the adoption of abandoned children according to Islamic tenets (Kafaleh), licenses and supervises elderly homes and clubs (the Royal Court covers the cost of Long-term health insurance for the elderly, but MOH covers the operating and administrative costs of the homes, licenses and supervises nurseries for children, from newborns up to 5 years of age, and evaluates the need to grant health insurance cards to the poor and their heirs who are receiving cash assistance and other services from MOSD and NAF. About 1,400 children are part of the program over the past year. The program provides services through 32 centers for children and 11 centers for the elderly that are affiliated with the program.

The Family and Childhood Protection Program formulate expenditure targets based on the past 3 years. This year's increase (2011) will be the same as last year's increase. No new projects have been started in at least 3 years and most projects are being completed this year as a result of the economic crisis.

Social Defense Program. One of the largest programs in scope, but not in expenditures, at MOSD, is the Social Defense program. It provides facilities and services to abused children and battered women and those from broken families, including juvenile offenders. The programs range from care and protection centers for abused children and women and orphans (4 centers), to assistance for juvenile offenders (5 centers), to social services in Reform and Rehabilitation Centers and assistance to families of residents of the centers to combating begging by both children and adults (1 center).

Through its centers and services, the MOSD program assists some 18,000 beneficiaries throughout the country in a total of 10 centers and 13 offices in facilities.

Programs of National Aid Fund

The National Aid Fund (NAF), which was established in 1986 under Law no. 36, administers a recurring cash assistance program, along with other programs that provide services and emergency aid to the poor, including disabled and unemployed. The NAF manages six major programs, as indicated in Table 5 in the text box. In addition to cash assistance benefits, they provide support for increasing employment opportunities through vocational training and physical rehabilitation at institutions or with relevant authorities, and paying for health insurance for fund beneficiaries in cooperation with the Ministry of Health.

Table 5: NAF Programs

program	Data (2011)
Recurring Cash Assistance - Persons or families with income below the abject poverty line and no or few assets, widows, orphans, families with disabled (16 categories). Monthly payments of 40 to 180 JD.	- 79,639 families - 208,824 persons - JD 81,000,000
Handicapped Care Aid Cash – Poor families who provide constant care to disabled children. Monthly payments of 20 to 80 JD.	- 7,702 families - 9580 persons - JD 3,380,455
Urgent Assistance Cash Payment – Poor families in need of help as a result of home fire, head imprisonment or acute illness. One-time payment up to 1,200 JD.	- 3222 families - JD 498,770
Physical Rehabilitation Cash Payment – Poor families with disabled to cover costs of medical devices. One-time cash payment up to 600 JD.	- 615 families - JD 209,231

Source: NAF Programs Data, 2011.

Recurrent Cash Assistance Program. The NAF provides monthly cash benefits to poor elderly, divorced, disabled, those in prison and families with children. The monthly payments range in amounts from 40JD up to 180JD, depending on income, assets and family circumstances. Individuals are eligible if income falls below the national abject poverty line. However, it should be noted that generally, only persons without current income will qualify for the program. The exception may be an elderly breadwinner with many children and low income of just over the family abject poverty line. Also, such family assets as a car (except if used by a disabled person or for transporting a family member with a chronic illness), arable land and income-producing property may disqualify a family for cash assistance. Income received by any family member will decrease the cash benefit by 25 percent of the income amount up to the elimination of the benefit. In 2011, some 79,639 families were received the cash assistance benefit at an annual cost of approximately 81,000,000 JD.

Urgent Assistance Cash Payment. Cash assistance is provided to poor families suddenly in need of help as the result of, for example, a fire in a dwelling, imprisonment of the head of a household or acute disease of a family member. Eligibility is based on a maximum level of income of 250 JD per month and their circumstances of need. Amounts from 100 to 1,200JD may be provided as a onetime payment on case by case evaluation, but no more than a one payment for the incident is allowed in the year. In 2011, 3222 families were receiving these payments per year at an annual cost to NAF of about 489,770 JD.

Handicapped Care Aid Cash Benefit. A regular cash payment may be made to poor families who must provide constant care to disabled children suffering from a chronic mental condition, such as mental retardation or palsy. Family income levels cannot exceed 450 JD per month. A monthly benefit from 20 JD up to a maximum of 80 JD may be paid, according to specific bands of income. In 2011, 7,702 beneficiary families receive this benefit annually, costing approximately 3,380,455 JD per year.

Physical Rehabilitation Cash Payment. A one-time cash payment is made to poor families with disabled household heads or disabled children to cover the cost of physical rehabilitation equipment, such as artificial limbs, hearing aids, dentures among others. The family may not have more than 250 JD in income per month and beneficiaries are not receiving other services or assistance. An evaluation of need is made by a committee of the Ministry of Health and a recommendation is made for what type of medical device assistance should be provided. The maximum cash payment is 600 JD. Some 500 families receive this aid annually at a cost to NAF of approximately 140,000 JD.

Programs of Zakat Fund

Zakat Fund is one of the oldest funds in the region. It is said that the Jordanian Fund has been used as a model to set up other funds in the region and through-out the world. The Zakat Fund is organizationally under the Ministry of Waqf and consists of Zakat Fund (ZF) with headquarters operation in Amman and 210 Voluntary Zakat Committees throughout Jordan. According to the tenets of Islam, each member has a duty to tithe 2.5 percent of income to the poor. One way of doing this is through the Zakat Fund, either the National Fund or to each local voluntary committee. The donations provided to the committees must be used in that community to help the poor, disabled, widows and orphans. One of the most important functions of the ZF is to ensure that auditing and accounting practices are in place to maintain the trust of donors in the ZF's fiduciary responsibilities. Audits are performed by the Audit Bureau and the Ministry of Waqf, while the Ministry of Finance has a financial controller working in the Fund. The ZF manages six major programs, as indicated in Table 6 in the text box.

Table 6: ZF Programs

programs	Data (2011)
Cash Assistance - Persons or families, of any nationality, with income near the abject poverty line and no or few assets, widows, orphans, families with disabled (in accordance to categories of religious law).	- 4,519,154 JD - 17,800 families
Occasional In-Kind Assistance – Poor families or persons provided with loaf of bread, school bags (with books & stationary) or tokens for clothing or food.	- 2,936,317 JD
Orphan Cash Assistance – Orphans who are adopted by the Fund (Kafaleh) which opens a bank account on his or her behalf to provide for needs.	- 1,080,000 JD
Rehabilitation Assistance Projects – Poor persons with some experience or skill in need of assistance to become more productive or re-locate to other areas.	- 210,683 JD
Urgent Cash Assistance – Poor persons or families, of any nationality, who need urgent cash as a result of home fire, disaster, divorce or other sudden need or can come to the fund for a small request.	- 600,000 JD

Medical Care Programs – Poor persons in need of assistance with cost of medicines or in care from mobile medical units visiting rural areas or through charitable deeds hospital (Amman) or medical centers (four).	- 150,000 JD
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Source: ZF Programs Data, 2011.

Cash Assistance. Recurring monthly cash benefits are paid to very poor people who are not receiving any assistance and have no visible means of support or income. The program is open to all poor people, either Jordanian or foreigners. Generally, if a poor person receives NAF recurring cash assistance, the person would not be able to receive Zakat assistance. The amounts are very low, from 30 JD to 50 JD, and are meant only for the severely poor persons. If a poor person is receiving Zakat, they may still be able to qualify for the NAF cash assistance benefit. The Zakat cash assistance is paid on a monthly basis through the Islamic Bank. This program is the largest program that the NZF administers with current total expenditure at 4.5 million JD in 2011; the program helped 17800 families.

Occasional In-Kind Assistance. This is the second largest program that the NZF administers and provides in-kind assistance in several different areas. It provides a coupon book for bread which the family can redeem at stores, 30-100 JD worth of tokens for food and clothing regularly, school bags filled stationary, books, pencils one month before the school year starts (38,200 families received school bags last year). In 2011, 2.9 million JD were spent on the program.

Orphan Cash Assistance. Another major program of the NZF is helping orphans with the cost of daily living by opening bank accounts and paying for expenses anywhere from 3 months to the full year. Orphans are adopted by the Fund under the Islamic program (Kafaleh) to help with their costs while they remain in the orphanage. 2011 expenditures on the program were 1,080,000 JD, while for the previous 5-year period; the Fund spent 1.9 million JD helping 1,300 orphans.

Rehabilitation Assistance Project. The Fund helps persons who have lost jobs, but have a craft for which they can demonstrate experience and a will to succeed in their craft or another area that is feasible. The NZF conducts a feasibility study to determine the chances of success and provides financial support to help the craftsman get started. This could be in any area from fish farming to embroidery. The Fund spent 210,683 JD in 2011 helping 210 families start businesses.

Urgent Cash Assistance. For person or families who need urgent help because of a sudden tragedy or urgent need, such as a home fire, divorce or death in the family, the Fund will provide small amounts of one-time cash payments. The NZF will examine the need and make a decision whether the request is reasonable. The program is open to poor people, including foreigners. In 2011, the NZF spent 600,000 JD on this program.

Medical Care Programs. The Fund provides several forms of medical care, from a Charity Deeds hospital in Amman to several medical centers, to mobile medical days for routine care and assistance to four rehabilitation centers for disabled men, women and children who will received education, food and treatment. On mobile health days, medicines can be provided in addition to routine medical assistance to poor communities that don't receive much medical attention. The ZF spends about 10,000 JD per year for this program, but also has built medical facilities and a hospital which we understand cost about 8 million JD. Total expenditure of ZF on this program in 2011 was 150,000 JD.

Social assistance programs and poverty alleviation

The poverty status of the target group has been depicted in table (7) which reports the estimates of poverty of the families who get assistance from the (MOSD), (NAF), and (ZF). Using the income level the researcher estimated the sample of target groups for the year 2001 and year 2012.

Table (7)
Poverty status of the target group
“Before-After”

2001	% of HH <i>Ig_{t0}</i>	2012	% of HH <i>Ig_{t1}</i>	Differences
(Group 1) Family with income less than JD.200	38%	(Group 1) Family with income less than JD.200	30%	(-) 8%
(Group 2) Family with income between JD.201-JD.500	25%	(Group 2) Family with income between JD.201-JD.500	21%	(-) 4%
(Group 3) Family with income between JD.501-JD.800	20%	(Group 3) Family with income between JD.501-JD.800	19%	(-) 1%
(Group 4) Family with income between JD.801-JD.1100	10%	(Group 4) Family with income between JD.801-JD.1100	16%	(+) 6%
(Group 5) Family with income above than JD.1100	7%	(Group 5) Family with income above than JD.1100	14%	(+) 7%

Source: estimated by the researcher.

I was found that poverty incidence was 30%. This shows an appreciable decline 8% in 2012 in poverty for group 1 as compared to the year of 2001. It further implies that the social assistance programs, in addition to other factors, have played a positive role in poverty alleviation in Jordan. A decline of 4% point has been recorded in the group 2, while it was 1% point in case of group 3. This is supported by an increase in percentage of group 4 and group 5 over the reported period.

Table (8) reports the estimates of poverty status of the families who did not get assistance from the (MOSD), (NAF), and (ZF).

Table (8)
Poverty status of the control group
“With-without”

2001	% of HH <i>Ing_{t0}</i>	2012	% of HH <i>Ing_{t1}</i>	Differences
(Group 1) Family with income less than JD.200	38%	(Group 1) Family with income less than JD.200	35.8 %	(-) 2.2 %
(Group 2) Family with income between JD.201-JD.500	25%	(Group 2) Family with income between JD.201-JD.500	23.9 %	(-) 1.1 %
(Group 3) Family with income between JD.501-JD.800	20%	(Group 3) Family with income between JD.501-JD.800	18.9 %	(-) 1.1%
(Group 4) Family with income between JD.801-JD.1100	10%	(Group 4) Family with income between JD.801-JD.1100	12.7 %	(+) 2.7 %
(Group 5) Family with income above than JD.1100	7%	(Group 5) Family with income above than JD.1100	8.7 %	(+) 1.7 %

Source: estimated by the researcher.

The headcount of group 1 was 38% in 2001 and 35.8% for the same group in 2012. A decrease of 2.2% point was recorded over this time period. Table (8) implies that the differences of the group 2 and group 3 decreased by 1.1% for both groups. This supported by an increase percentage of group 4 and group 5 over the reported period.

The net impact of social assistance programs on poverty status of the target group

Table (9) provides the net impact of social assistance programs on poverty status of the target group. This has been obtained by taking the differences of the last column of table (7) and table (8) as mentioned in the research methodology. The social assistance programs has reduced the overall poverty level by 5.8 percentage points (from 8 percent to 2.2 percent) and group 1 have shifted to higher income group during the reported period. The poverty status of the group 2 has decreased by 2.9 percentage point. In case of group 3 the net impact of social assistance programs shows a reduction by 0.1 percentage point, showing obviously no effect of these programs on poverty status of this group. Likewise, the net impact of social assistance programs for the last two groups –group 4 and group 5 – depicts an increase due to redistribution, which is the expected result.

Table (9)
Net impact of social assistance programs on poverty alleviation

	Last column Table (7) (T1)	Last column Table (8) (T2)	Differences (T1 – T2)
(Group 1) Family with income less than JD.200	(-) 8	(-) 2.2	(-) 5.8
(Group 2) Family with income between JD.201-JD.500	(-) 4	(-) 1.1	(-) 2.9
(Group 3) Family with income between JD.501-JD.800	(-) 1	(-) 1.1	(-) 0.1
(Group 4) Family with income between JD.801-JD.1100	(+)	(+) 207	(+) 3.3
(Group 5) Family with income above than JD.1100	(+)	(+) 1.7	(+) 5.3

Source: estimated by the researcher.

Conclusion

Throughout this study an attempt has been made to investigate the impact of MOSD, NAF and ZF on poverty alleviation in Jordan. For this purpose the data collected from different sources. A counter-factual “combined-approach” has been employed to study the impact of social assistance programs of the MOSD, NAF and ZF on poverty alleviation. The researcher used income level to decompose the families into different groups.

The social assistance programs has reduced the overall poverty level for group 1 by 5.8 percentage points (from 8 percent to 2.2 percent) and the group has shifted to higher income groups during the reported period. The poverty status of group 2 has reduced the overall by 2.9 percentage points, showing the effect of social assistance programs on poverty status of this group. In case of group 3, the net impact of social assistance programs has been marginally decreased (by 0.1 percentage points), showing obviously a slight impact of these programs on poverty status of this group. Likewise, the net impact of social assistance programs on group 4 depicts an increase of 3.3 points due to redistribution, which is the expected result. However, the net impact shows an increase by 5.3 percentage points for the last group, which is due to redistribution. The overall impact of social assistance programs on the groups has been positive.

Recommendations

The researcher mainly recommends the following in order to enable the MOSD, NAF and ZF to extend its outreach through its participatory organizations to all groups across the country:

- 1- The MOSD, NAF and ZF should work together to determine whether the data serves their needs and how it can be expanded to include any missing relevant data and how it can be accessed by those in the field reviewing applicant eligibility for all assistance programs.
- 2- The government, working with all organization that collect relevant data on poverty alleviation programs or for use in poverty studies, should formulate a usage and dissemination policy that will benefit policy makers and program implements in improving poverty alleviation program efficiency and effectiveness.
- 3- The MOSD, NAF and ZF should review carefully a representative sample of benefit awards to determine for enforcement of qualifying conditions for cash assistance benefits and determine exactly what percentage of the cases have accurate decisions.
- 4- The government should review the experience of countries in the region, such as Turkey, to develop well-designed pilot Conditional Cash Transfer (CCT) programs that would be directly applicable to the situation in Jordan.
- 5- Several changes can be made rapidly to the budget process and administration of the social assistance programs that will help to clarify expenditure, streamline bureaucratic process and put the program emphasis where it should be in proper monitoring and evaluating of the effectiveness of the programs.

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