

Economic Drivers of Displacement in Yemen



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Introduction:

As Yemen enters its eighth year of conflict, the country faces interconnected social and economic crises, severely limiting the government's ability to sustain vital public services and a stable employment market. Additionally, Yemenis' purchasing power has dramatically reduced due to exchange rate volatility and increased global prices, driving many into food insecurity. Yemen's economic decline is compounded by additional domestic and international shocks such as climate change, the COVID-19 pandemic and its aftermath, and the conflict in Ukraine. Yemen is also experiencing a humanitarian and displacement emergency, with about 23.4 million Yemenis (73% of the population) reliant on humanitarian assistance and about 4.3 million people displaced from their homes to other parts of Yemen as of March 2022.¹ While estimates vary, from January to July 2022 - a period which covers the start of the truce in Yemen² - 7,002 households (42,012 individuals) were displaced at least once according to the International Organisation for Migration's (IOM) Displacement Tracking Matrix (DTM).³ However, the United Nations Population Fund and the Internal Displacement Monitoring Centre estimate the figure could be as high as 220,000 individuals. While projected displacement estimates in 2022 based on IOM figures represent a slight drop in the number of internally displaced person(s) (IDP) compared to 2021 (157,555),⁴ displacement and loss of homes and livelihood remain a reality for many.⁵ Many IDPs are displaced within their own districts, testing established definitions of displacement, which exclusively include individuals that move between governorates.⁶ For the purposes of this report, economic displacement can be defined as 'displacement that arises when a household is forced to displace not as a result of conflict, due to economic opportunities no longer allowing households to afford basic, sometimes lifesaving, needs.'⁷ This report aims to outline the factors behind economic displacement in Yemen by utilising humanitarian reports, news articles, and key informant interviews. The report concludes with recommendations for further research and best practices for developing humanitarian interventions for programs targeting IDPs.

Livelihoods as a Driver of Displacement:

According to a recent IOM study on IDP intentions in Hudaydah governorate, insecurity in place of origin remained the primary driver of displacement for about 72% of IDPs. However, 30% stated that livelihood opportunities in the location of displacement were the secondary reason for their continued displacement.⁸ Of those who cited livelihood opportunities in the location of displacement, 23% said a lack of livelihood opportunities in their location of origin is the reason they have not returned to their homes. Economic hardship also is a primary motivator for many IDPs to return to their original residence, despite being exposed to conflict-related

1 [Humanitarian Needs Overview 2022](#) (April 2022)

2 Yemen's official Truce was active between April and October 2022. The Truce remains under negotiation.

3 <https://reliefweb.int/report/yemen/iom-yemen-rapid-displacement-tracking-2022-second-quarter-report-april-june>

4 [Yemen – Annual Rapid Displacement Tracking Report \(2021\)](#)

5 [Yemen - Rapid Displacement Tracking - Annual Report \(2020\)](#)

6 Key Informant Interview, November 2022.

7 Discussions with Cash Consortium of Yemen.

8 [IDP Intention Survey West Coast](#) (2022)

risks.⁹ Alongside direct economic drivers, about 1,800 returnees in 2020 and 3,000 returnees in 2021 reported that shelter conditions in the location of displacement were the main reason for returning to their place of origin, potentially driven by high rent prices and lack of livelihood opportunities.

Despite these interconnected crises, the dynamics of economic drivers of displacement in Yemen remain unclear. According to the IOM DTM, a lack of livelihood opportunities is a contributing factor, with 22% of IDPs displaced between April and July reporting that economic considerations were the main drivers of their initial displacement. This has placed considerable pressure on host communities, particularly as Taiz and Hudaydah - the top two IDPs host destinations in 2022 and in close proximity to front lines - are already facing severe food insecurity as well as shortages of services. Studying displacement patterns while accounting for economic factors other than debt and income will provide a better understanding of these displacement patterns and help humanitarian actors design durable programmes.

Economic Displacement Dynamics:

Many IDPs hail from areas that are not directly affected by the conflict. IOM suggests that this is because the conflict has destroyed economic systems that support livelihoods, prompting people to move to areas with higher levels of economic activity. Marib is a major destination for IDPs seeking to avoid the conflict, find better job opportunities in the oil-rich governorate, and benefit from better service delivery. While estimates vary, official governmental estimates suggest that the population of Marib has increased from 36,000 in 2014 to 3 million in 2019, with over half of the habitants living in Marib city.¹⁰ Many IDPs in Marib moved from DfA-controlled areas due to the conflict and economic hardship, with Sana'a, Hudaydah, and Raymah constituting 43% of IDPs' governorates of origin. About 103,398 inhabitants (13% of the total IDPs in Marib) hail from Raymah, which has not been the site of significant clashes since 2015.¹¹ This indicates a large sum of the IDPs have moved to Marib in search of better employment, livelihoods, and provision of public services.

Despite successfully advocating to keep 20% of total oil revenues produced in Marib, the governorate's local authorities are struggling to provide services for all inhabitants. Marib has experienced a significant economic boost since the beginning of the conflict, with many restaurants, shops, and businesses opening to accommodate the increase demand from IDPs. Service sector development remains limited despite several businesses opening. Public services are hampered by a lack of proper institutional management and funding commensurate with need. The absence of a long-term strategy, which could sustain the housing and health needs of the people in Marib, will likely mean that many IDPs are at risk of unemployment and, more generally, economic hardship, which could lead to further displacement.¹² While, the real-estate sector in Marib city has been bolstered due to the influx of IDPs and investments by returnees

⁹ *Ibid.*

¹⁰ [Marib Urban Profile \(2021\)- UN Habitat](#). OCHA 2022 Population Figures put Marib's total population at around 1,072,048 with an IDP population of 876,422 (around 81% of the population). This is still a substantial increase on 2014 population figures.

¹¹ [Marib Urban Profile \(2021\)- UN Habitat](#)

¹² [Sana'a Center for Strategic Studies \(2020\)](#)

from Saudi Arabia, this has resulted in a drastic driven increase in land prices and increased average rent prices by around 500%.¹³ More recently, investors and business owners have been reluctant to invest in assets in Marib city due to the uncertainty of the security situation and the proximity of the frontlines to the city.¹⁴ IDPs also face difficulties securing accommodation when moving to new governorates.

Aden was once a displacement hub in Yemen, where over 184,000 IDPs registered as of 2015.¹⁵ However, IDP numbers have significantly declined since the start of the conflict, with Aden hosting about 25,000 registered IDPs as of 2022.¹⁶ The deterioration of the currency and informal policies restricting access to Aden from DfA-controlled areas has led many IDPs to move to other governorates. The low number of IDPs in Aden, despite being the second-largest city and economic hub in the country, can also be attributed to regional tensions. Militias in the south have discriminated against northerners throughout the war. IDPs from Taiz constitute the bulk of IDPs in Aden (44%). While Taiz is bordered by several other governorates, many IDPs seek refuge in Aden in hope of taking advantage of economic opportunities there. For example, many of Taiz's agricultural products are exported and sold in Aden by Taizis. Migrants and refugees also constitute a large portion of inhabitants in Aden, with 140,000 registered as migrants out of the 1.14 million people residing in Aden. African migrants in Aden are marginalised and have few interactions with the local population, living in suboptimal conditions in clusters across the districts of Dar Sad and Ash Shaikh Outhman.

African Migrants and KSA Returnees:

Challenges faced by IDPs in Yemen are compounded by migration into and through Yemen from the Horn of Africa. In 2018, Yemen absorbed more migrants from Africa than the whole of Europe.¹⁷ Economic hardship and political instability have prompted many migrants from neighbouring countries to enter Yemen without documentation along its west coast via the Red Sea, and from the south via the governorates of Shabwa and Abyan. IOM reported that about 28,000 migrants arrived in Yemen in 2021; 88% of whom are from Ethiopia.¹⁸ While totals for 2022 are not yet available, in September 2022 6,381 migrants entered Yemen, 94% of whom originated in Ethiopia.¹⁹ Economic hardship in Ethiopia and forced military conscription have pushed many migrants to resort to smugglers to transport them to Yemen under suboptimal conditions. Most migrants reported that their planned destination is the Kingdom of Saudi Arabia (KSA), where they seek better economic opportunities.

Yemen's returnees from KSA and other Gulf nations also put a strain on the economy and limit job opportunities, including for IDPs – Yemen's youth comprise 70% of the population and about

13 [Studies and Economic Media Center 2019](#)

14 [Malcom H. Kerr Carnegie Middle East Center \(2019\)](#)

15 [Aden City Profile \(2020\)- UN Habitat](#)

16 REACH, [IDP Hosting Sites Aden](#), May 2022.

17 "IOM Raises Protection Concerns as 2018 Migrant Arrivals to Yemen Approach 150,000" International Organization for Migration (IOM), December 2018

18 [Yemen – Annual Flow Monitoring Registry \(FMR\) Report \(2021\) | Flow Monitoring](#)

19 [IOM Flow Monitoring Registry Dashboard](#) (November 2022).

50% of Yemeni youth are unemployed. IOM estimates that 55,269 Yemeni migrants in KSA returned to Yemen between January and October 2022, with 4,532 returning in September, and 5,454 in October alone.²⁰ A portion of these returned to Yemen after being unable to pay KSA's newly imposed taxes and work permit fees. However, data on these returnees is incomplete and little is known about the economic impact caused by these phenomena.

Impact of Humanitarian Assistance:

Cash programming is a core component of relief efforts to alleviate Yemen's humanitarian crisis, with the World Food Programme (WFP) estimating that about 13 million Yemenis have received in-kind aid or cash vouchers in Yemen in 2022.²¹ While aid provided by international organisations and donors has significantly alleviated the immediate needs of many families, the situation continues to deteriorate as many people continue to rely on aid.²² Several patterns have been observed related to aid distribution in Yemen. These include people affected by the collapsing economy moving to IDP camps to receive aid, reliance on aid for subsistence, and a lack of support to host communities surrounding IDP camps.²³ The lack of support for host communities has and will likely continue to cause tensions between host communities and IDPs.²⁴ Additionally, many residents from low-income families with stable incomes might consider relocating to IDP camps to receive aid and would therefore be considered recently displaced IDPs. The migration of people from rural areas to urban areas in Yemen had many negative consequences for host communities, including the spread of begging and other marginalised activities, alongside increased pressure on public services.²⁵

Another primary concern in Yemen is the lack of programs targeting economically displaced people. Due to the large number of IDPs in Yemen, INGOs tend to avoid accounting for economically displaced persons, as this will substantially increase the number of people designated as in need.²⁶ Such an increase would considerably inflate HRP funding requirements, with the UN already struggling to meet existing requirements. Accordingly, economically displaced people are then pushed to relocate several times during the year to find job opportunities or resort to negative coping mechanisms. These mechanisms include begging, recycling collection, or marrying off daughters for a dowry or Mahr (a lump sum of money gifted from a husband to father upon marriage), causing additional serious protection concerns.²⁷ As long as economic displacement is not considered a priority, many economically displaced persons will remain perpetually in need of humanitarian assistance.

20 [IOM Flow Monitoring Registry Dashboard](#) (November 2022).

21 [World Food Program](#), 2022

22 Key Informant Interview, November 2022.

23 Key Informant Interview, November 2022.

24 Key Informant Interview, November 2022.

25 Key Informant Interview, November 2022; CCY Coping Strategy Index Data collected 2022.

26 Key Informant Interview, November 2022.

27 Key Informant Interview, November 2022.

Recommendations:

Displacement in Yemen has been one of the most catastrophic impacts of the prolonged conflict in Yemen. Funds arriving in Yemen usually favour immediate emergency assistance instead of providing long-term solutions. Displacement in Yemen is a complex issue, having various economic, political, and security dimensions that are important to consider when proceeding with programs targeting displacement. Among the recommendations made based on the findings of this report are:

1. Humanitarian programs must address broader economic insecurities by shifting from exclusively immediate humanitarian relief that contributes to aid reliance and potential further displacement, to more mixed assistance inclusive of durable support that focuses on market system development to address these root causes. This assistance should also target protracted IDPs, host communities, and their wider socio-economic eco-systems to allow IDPs to better integrate into local economies in a way that does not drive further displacement or place strain on already stretched resources and services within host communities. An area-based approach to programming is also recommended to assess and mitigate these dynamics.
2. Future research should examine displacement patterns within districts through an area-based approach to capture the extent and impact of this dynamic. A large number of IDPs have been displaced within the same district but are not counted by existing data collection systems. Definitions of IDP should also be adjusted to account for locally displaced individuals.
3. Broadly, there is a critical lack of representative data and corresponding research on the causes and extent of displacement in Yemen. While conflict remains the largest driver of displacement, this terminology masks the complexities of the impact of nearly eight years of war in Yemen on the population, obscuring the impact of the conflict on livelihoods, job markets, and other key economic areas. Analysis should also focus on pre-war economic displacement trends that have been exacerbated by the conflict. Further area-based research is required to unpack the impact of the conflict on these thematics.
4. Further research should also be conducted on dynamics that affect and influence migration through Yemen by migrant populations from East Africa, as well as Yemenis returning from KSA. Additionally, research should focus on the impact of climate change, especially the increased incidences of floods and droughts (or other climate factors) pressuring households to relocate.



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