



RECOGNIZING THE LINKAGES BETWEEN SOCIAL PROTECTION AND AGRICULTURE

THE ISSUE

Since social protection and smallholder agricultural interventions often cover the same geographic space and target the same households, there are opportunities for synergies and complementarities that strengthen livelihoods of poor rural households.

Social protection policies aim to reduce socio-economic risks, vulnerability, extreme poverty and deprivation, while smallholder agricultural policies focus on improving productivity in crops, fisheries, forestry and livestock and access to markets. Both areas of policy are important elements in poverty reduction strategies, but little attention has been paid to the interaction between them and the implications for design and implementation of related policies and programmes.

Poor rural households that mostly rely on agriculture for their livelihoods are often affected by limited access to resources, low agricultural productivity, poorly functioning markets and repeated exposure to risks. Social protection can help alleviate credit, savings and liquidity constraints by providing cash and in-kind support. In addition, the regularity and predictability of social protection instruments help households to manage risks better and to engage in more profitable livelihood and agricultural activities. Agricultural policies and programmes can help smallholder households manage risk by stimulating farm output, income and overall household welfare.

THE IMPACT OF SOCIAL PROTECTION ON AGRICULTURE

Specific impacts of social protection on agriculture vary depending, among other things, on the type of instrument used, the household member receiving the transfer, socio-economic status, livelihood activities and contextual factors such as land tenure arrangements, institutional capacities, access to markets, culture and agro-climate. Most of the available evidence on the direct and indirect impacts of social protection on agriculture comes from evaluations of cash transfers and public works schemes, but there is also some evidence from provision of school meals and education fee waivers.

Cash transfers and public works schemes can directly impact agriculture by increasing investments in agricultural assets, input use and farm output, shifting household labour from agricultural wage labour to on-farm labour, and increasing the quantity and quality of food produced at home. These schemes also indirectly impact agriculture by preventing risk-coping strategies that deplete household agricultural assets (e.g. selling ploughs or fishing equipment to buy food) and, together with school feeding and education fee waivers, by increasing investments in human capital

(child education and health). These interventions can also support non-agricultural livelihoods through increasing off-farm investments by microenterprises and making labour allocation decisions more flexible. Cash transfers and public works interventions create significant income multipliers in local economies as beneficiary households spend the transfers on goods and services mainly sold or produced by non-beneficiary households. In addition, cash and in-kind transfers can increase social capital and strengthen informal safety nets and risk-sharing arrangements.



AGRICULTURE HAS A SOCIAL PROTECTION FUNCTION

Agricultural interventions such as input subsidies and technology transfers can also contribute to social protection schemes. Specifically, smallholder agricultural interventions can reduce household vulnerability and risks as measured by indicators of livelihood security.

Many agricultural interventions increase household income and income generation capabilities, and interventions that improve access to microcredit, infrastructure, irrigation, extension and input technology can lead to improvements in household consumption, food security, risk-taking and the accumulation of durable assets. Such programmes become social protection interventions in their own right when specifically focused on the poorest and most vulnerable households.

KNOWLEDGE AND CAPACITY GAPS

To understand better the role of social protection in agriculture, more evidence is needed on its impacts on risk management, input use, and crop, fishery, forestry and livestock production; the uptake of agricultural technologies to adapt to climate change; and natural resources management.

Numerous reports exist on impact evaluations of conditional and unconditional cash transfer programmes in Latin America and sub-Saharan Africa, but other regions have been studied less. In addition, the interactions between multiple social protection interventions at local and national level have generally not been addressed and nor have the impacts of programmes that currently integrate social protection and agriculture.

Similarly, regarding agriculture, most research does not follow the methodological standards needed for rigorous impact evaluations. Future studies of agricultural interventions should emphasise the impact on risk coping, informal risk management, human capital accumulation and the local economy.

There is an important knowledge gap on institutional arrangements, at central and decentralized levels, which can facilitate greater collaboration among those involved in social protection and agriculture.

A comprehensive approach to developing capacities at national level among stakeholders is needed to ensure greater coordination among social protection and agriculture policies and programmes.

THE ROLE OF FAO

FAO's responsibility lies at the interface of social protection, food and nutrition security, agriculture and livelihoods. Accordingly, FAO's work on social protection focuses on supporting governments and other partners to maximize synergies between social protection and agricultural policies and in articulating a coordinated strategy for rural development. This involves developing human and institutional capacities to manage policy processes, providing direct policy and programming advice, generating actionable knowledge, facilitating and engaging in policy dialogue among stakeholders working in different sectors, and developing analytical and policy tools.

FOR MORE INFORMATION

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