

Social Protection Initiatives in Africa

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Outline of the presentation

1. Background on SP programs
2. Linkages between SP and risk management
3. Country experiences - Ethiopia PSNP
4. What does the evidence say?
5. Final remarks

Growth is necessary but not sufficient condition for combating rural poverty

- ▶ Social protection measures required to address economic, social and environmental constraints to poverty reduction
- ▶ Social protection is a set of interventions whose objective is
 - Reduce social and economic risk and vulnerability
 - Alleviate extreme poverty and deprivation
 - Promote social justice
- ▶ Taking into account
 - Context, age and gender-specific risks and vulnerabilities throughout lifecycle
- ▶ Address both demand and supply constraints
- ▶ Bridge gap between short term and long term interventions

Social protection can play four important roles

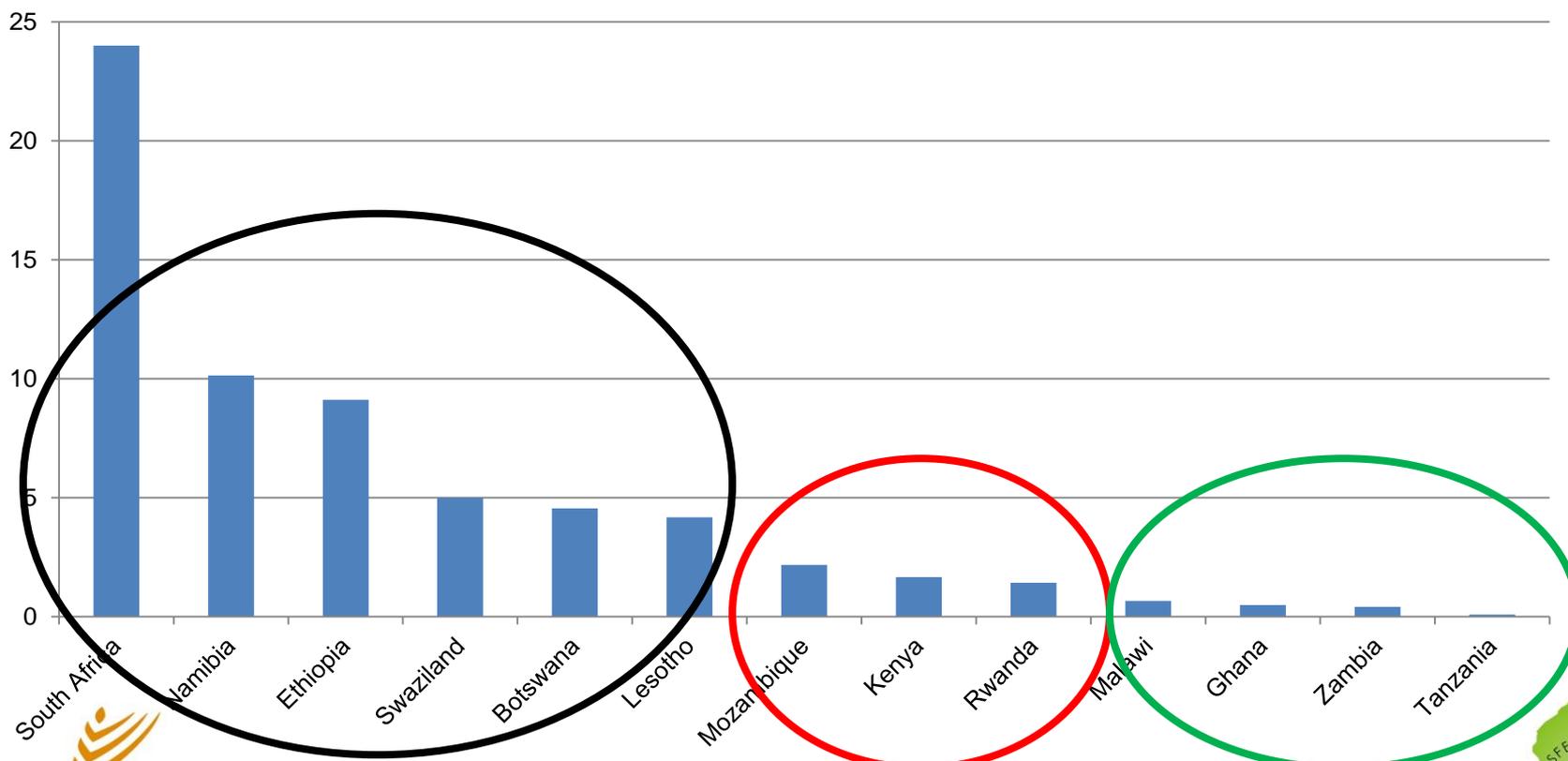
- ▶ **Prevent:** Ex-ante measures to mitigate impact of adverse shock or avoid negative risk coping strategies
- ▶ **Protect:** Ex-post relief from economic and social deprivation, including chronic poverty
- ▶ **Promote:** Enhance asset accumulation, human capital and income earning capacity
- ▶ **Transform:** Address power imbalances that create or sustain economic inequality and social exclusion

Linkages between SP and risk management

- ▶ Beneficiaries of cash transfer programmes in Sub Saharan Africa predominately rural, most engaged in agriculture
 - Most work for themselves
- ▶ Transfers can relax some of constraints brought on by market failure (lack of access to credit, insurance)
 - Avoid detrimental risk coping strategies
 - Avoid risk averse production strategies
 - “Safety first” or “eat first”
 - Increase risk taking into more profitable crops and/or activities
- ▶ Transfers can reduce burden on social networks and informal insurance mechanisms
- ▶ Infusion of cash can lead to multiplier effects in local village economy and also build community asset

Cash transfers national scale up (as of end 2010)

% of population covered by cash transfer program



Wide range of designs

- ▶ Universal programs
 - Old age pensions, child grants
- ▶ Targeted programs
 - Focus on ultra poor, labor constrained; OVC and other specific vulnerabilities
- ▶ Cash for work for able bodied
- ▶ A few cash transfer programs are explicitly linked to productive activities
- ▶ Prominent role of community in targeting
- ▶ Unconditional (for the most part)
 - “Soft” conditions and strong messages

Country experience - Ethiopia Productive Safety-net Program (PSNP)

Key principles

- ▶ Safety net transfers to households need to be predictable and reliable.
- ▶ Transfers need to be well timed to be effective.
- ▶ A shift to cash transfers should be encouraged
- ▶ The developmental impact of resource transfers needs to be heightened.
- ▶ A safety net requires longer-term funding commitments.
- ▶ The safety net is a core government program, not a donor project.

Design and Implementation Issues with PSNP

- ▶ Institutional framework, coordination and harmonization
- ▶ Determining program size and targeting of households
- ▶ Determining the type of transfers and payment systems
- ▶ PSNP public works and direct support
- ▶ Accountability and transparency
- ▶ Monitoring and evaluation
- ▶ Graduation from the PSNP

What does the evidence say?

- ▶ Impact of SP on recovery from shocks –ex-post
 - ▶ A public works program reduced income fluctuations, and protected households from the negative effects of crop damage on child growth
 - ▶ CCTs in Latin America improve the recovery from shocks - reduced child labour, protection of consumption of coffee farmers when global prices fell & decline in school drop outs
- ▶ Impact of SP on adverse coping strategies - ex-ante
 - ▶ Evidence shows a reduction in the use of adverse coping strategies - Ethiopia's PSNP prevented 60% of the beneficiaries from engaging in distress sales during a drought
 - ▶ In Ghana and Kenya, the LEAP and CT-OVC programmes reduce child labour, distress asset sales and indebtedness.

Summary of results on economic outcomes

	Consumption	Food security	Assets	Production
Burkina				
Ethiopia PSNP	X	X	X	X
Ghana LEAP	NS	X	NS	NS
Kenya CT-OVC	X	X	X	NS
Lesotho				
Malawi Mchinji	X	X	X	X
RSA CSG		X		
Zambia CGP	X	X	X	X
Zambia Monze	NS	NS	X	X
Zam MCP	X	X	X	X

██████████ Not collected
 x=significant
 empty=pending
 NS=not significant

Wow—the magic bullet?

- ▶ Cannot replace sector strategy, nor a motor of growth in and of itself
 - Should complement, not substitute, efforts to increase small holder productivity
- ▶ Needs to be articulated as part of strategy of rural development
- ▶ Some tension with sector policy
 - Increase output and procurement, or support poorest and most vulnerable?
 - Input subsidies
 - Food purchasing program (PAA)
- ▶ Inputs subsidies—social protection or agricultural policy?

Final Remarks

- ▶ Evidence suggests there are potential synergies between social protection and agriculture at household and local economy level to manage risk
- ▶ Systems approach like Brazil's Zero Hunger Programme successful example of where one policy combines social protection and agricultural interventions.
- ▶ Still, few examples where SP and Ag co-ordinate or integrate e.g. PSNP Ethiopia, Rwanda Vision 2020
- ▶ Moving forward together - what do we think is needed?
 - ▶ Generate actionable knowledge on linkages
 - ▶ Dialogue on policy and programming
 - ▶ Develop human and institutional capacities

Thank You!

From Protection to Production Project

<http://www.fao.org/economic/PtoP/en/>

The Transfer Project

<http://www.cpc.unc.edu/projects/transfer>