Moving towards productive inclusion: strengthening coherence between agriculture and social protection

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Strengthening coherence between agriculture and social protection
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Pathways of productive inclusion

• Address inequitable distribution of resources and market failures

• Increase access to assets
  – Land, animals, labor, tools, human capital

• Increase access to liquidity
• Increase access to credit
• Reduce burden of care
• Improved ability to manage risk
• Hope and confidence in the future
Households need more than just cash transfers

- Cash transfers are not silver bullet in terms of poverty reduction
- Policymakers from wide variety of countries are looking into complementary programmes, or place cash transfers into wider context of rural development
  - LAC: mature social protection systems coming to grips with limits of social protection
    - Delayed because of belief in human capital and poverty exit via formal labour markets
  - SSA: More immediate concern with livelihoods
    - Agricultural based livelihoods—few immediate alternatives
Examples from Sub Saharan Africa

- **Ghana (LEAP)**—
  - Bringing together cash and public works
- **Malawi (SCT)**—
  - Resilience Programme; ePayments and savings
- **Lesotho (CGP)**—
  - Home gardening; thinking about linking with community development aimed at graduation
- **Kenya (CT-OVC)**—
  - Linking payments to savings, youth employment
- **Zambia (SCT)**—
  - Linking payments to savings
- **Tanzania (TASAF)**—
  - CCT and public works linked with savings
- **Ethiopia (PSNP)**—
  - Public works and productive packages
- **Rwanda (VUP)**—
  - Public works linked to savings
What are some of the options?

• Two broad areas
  – Better coherence and coordination with existing large scale agricultural and/or rural development interventions
  – Combining cash transfer programs with complementary interventions
  – These are not mutually exclusive
First, better coherence with large scale agricultural/rural development programmes

• Input subsidies
• Technology
• Price supports
• Credit

• All typically less focused on poorer smallholders

• Seasonal and emergency household food security
Second, potential complementary interventions

- **Microfinance (savings groups)**
  - Relatively inexpensive, take advantage of traditional systems, but mixed results
  - New innovative variations—making ROSCAS more flexible, rely on training
- **Mobile microfinance and digital financial services**
  - Take advantage of advancing mobile phone technology, but restricted by spread of technology
  - Link to ePayments; help liquidity management
- **Financial inclusion**
  - Training, literacy, links to formal financial system
- **Microcredit**
  - Low take up and modest impacts
- **Agricultural insurance**
  - Low take up and modest impacts
More potential complementary interventions

- Productive packages
  - Assets, inputs, revolving cows/goats, etc
  - Mixed results, and potentially more expensive
- Agricultural extension and training
  - Mixed results
- Incentives to small business formation
  - Mixed results
- Facilitating labour market participation
  - Mixed results
The Graduation Model

- Bringing together a set of complementary interventions in a staged approach
- One time productive asset, cash/food support, savings, training, health care, social integration
- Positive results from impact evaluation in Bangladesh
  - After two and four years
- Expansion beyond Bangladesh
  - Adapted and replicated in 10 pilot projects in 8 countries
  - Rigorous impact evaluations in Ethiopia, Ghana, Honduras, Pakistan, India, Peru
Ultra poverty graduation model
How is graduation defined?

• Criteria can include (varies by social and geographic context)
  – No self reported food deficit in last year
  – Multiple sources of income
  – Use of sanitary latrine and clean drinking water
  – Homes with solid roofs (e.g. corrugated iron)
  – Households own livestock/poultry
  – Households have kitchen gardens
  – Cash savings
  – No childhood marriage in the family
  – School-age children are going to school
  – Eligible couples adopt family planning

• Why is this interesting?
Comparing the evidence on cash transfers and the Graduation model: the pilots

- Broadly similar, consistent, positive impacts on consumption, food consumption and life satisfaction
- Both types of programs also lead to increased savings, loans, housing improvements, business ownership
  - Though in both cases not as consistently across countries
- Graduation model has much stronger impacts on value and ownership of assets
- Cash transfers have stronger impact on health and education outcomes
- Graduation model did not report impact on crop production

Suggests that each approach has something to offer
Which is the best complementary intervention?

• Not much evidence on government-managed cash plus complementary intervention
  – PSNP
• Programme specific evidence does not point to one magic programme
  – Depends on particular context, implementation, etc
• Taking existing social protection programmes as a base, Graduation Model offers framework for identifying major constraints faced by households and possible solutions
  – But how feasible is it to scale up the BRAC model?
  – Implications on cost and logistics
• Countries are moving ahead and experimenting
  – Develop a research agenda around that experimentation
Our websites

From Protection to Production Project
http://www.fao.org/economic/PtoP/en/

The Transfer Project
http://www.cpc.unc.edu/projects/transfer
Comparing the evidence on cash transfers and the Graduation model: Bangladesh

- Broadly similar:
  - Positive impacts on consumption, food consumption and life satisfaction
  - Reduction in casual wage labour
- Increase in work intensity; increased savings; investment in land
- Both types of programs also lead to increased savings, loans, housing improvements, business ownership
  - Though in both cases not as consistently across countries
- Graduation model has much stronger impacts on value and ownership of assets
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• Suggests that each approach has something to offer