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# Understanding poverty and food insecurity at the household level

While the Sustainable Development Goals (SDGs) highlight eradicating poverty and achieving food security as two specific targets, interventions aiming to address one or the other goal are often similar in policy orientation and design. This is the case for many agricultural development, livelihood support, or social assistance programmes such as cash transfers and public works, whose design assumes that increasing the income or the productivity of the poor will lead to decreasing food insecurity in the population.

Therefore, although it is recognized that poverty and food insecurity are related phenomena, increasing the effectiveness of policies aimed at eradicating poverty and achieving food security requires a better understanding of this relationship.

An analysis conducted by FAO sheds light on the household-level relationship between poverty and food insecurity in various countries of sub-Saharan Africa (Ghana, Malawi, Niger, Nigeria and the United Republic of Tanzania) and Latin America (Plurinational State of Bolivia, Chile, El Salvador, Guatemala and Mexico). It does so by focusing on monetary poverty, which is used to monitor SDG 1 through indicators 1.1.1 and 1.2.1, and Experience-Based Food Security Scales, to which the Food Insecurity Experience Scale, the measure used to monitor SDG 2 through indicator 2.1.2, belongs.

## Poverty and food insecurity are correlated at the household level and this matters for interventions

The analysis finds a solid correlation between household poverty and food insecurity in all the examined countries, meaning that poor households are significantly more likely to be food insecure. The results also hold when considering various characteristics that affect households' food insecurity, such as their socioeconomic features, their livelihoods, their place of residence, their preferences regarding food spending, and the shocks they suffered.

Overall, the potential synergies between poverty reduction and food security policies is evident, suggesting that raising incomes and lifting people out of poverty is a crucial element to improve food access and reduce food insecurity.

## KEY MESSAGES

- ▶ There is evidence of a strong relationship between poverty and food insecurity at the household level.
- ▶ Food insecurity policies should avoid relying on measures of poverty for designing interventions, as the overlap between poor and food insecure households can be limited within countries.
- ▶ Rural development strategies should consider the safety net role of agriculture for household food security while enabling higher-quality wage employment.

## Yet, poverty reduction and food insecurity policies should avoid superficial targeting

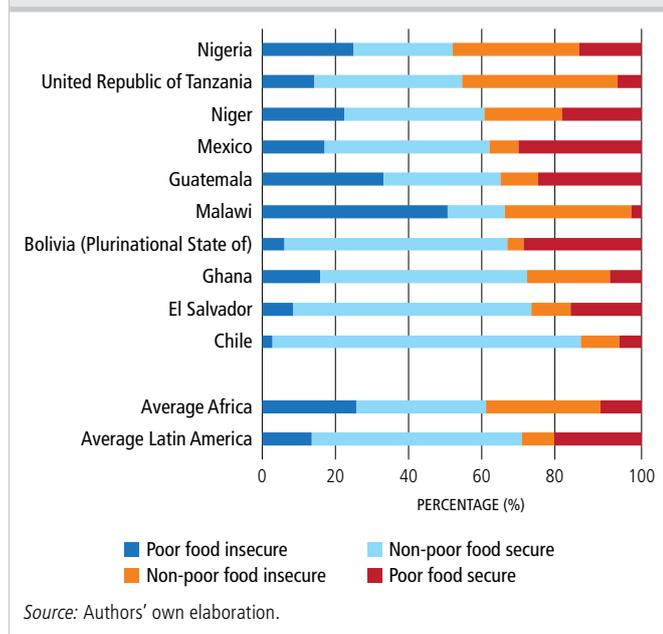
Despite their solid correlation, the extent to which poverty and food insecurity overlap varies across countries and can be limited in some instances (Figure 1). The overlap strongly depends on the poverty lines used. The overlap is much greater with international poverty lines (instead of national lines), and can also vary substantially within countries, with urban areas showing a greater overlap between the two deprivations than rural areas.

While poverty and food insecurity are related, these are different phenomena. The findings, therefore, warn against superficial targeting approaches. That is, using monetary poverty as a proxy of food insecurity to directly identify programme beneficiaries or to define the size and the characteristics of the population groups to be targeted in food security interventions.

## Rural development policies with a lens on the safety net role of agriculture for food security

The analysis also explored in which population groups poverty and food insecurity were more likely to go together. It found that households engaged in crop farming and, to a more limited

**FIGURE 1. Share of the population in different poverty-food insecurity groupings (national poverty lines)**



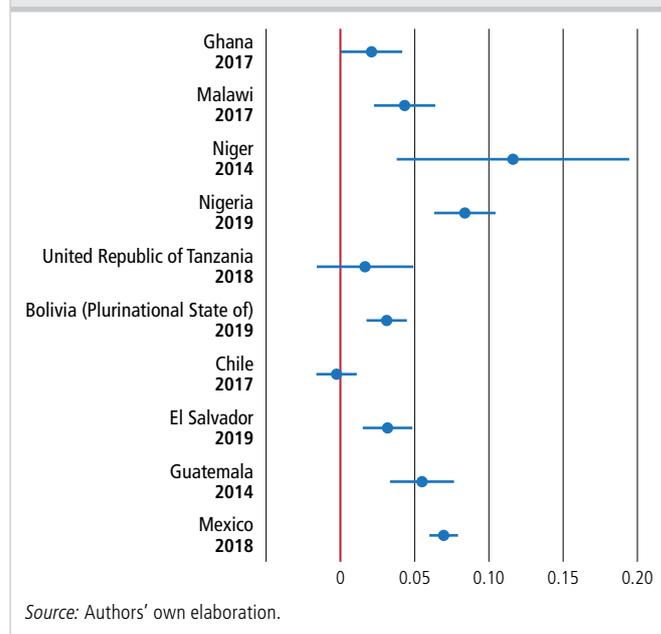
extent, livestock production, present a weaker relationship between monetary welfare and food insecurity (Figure 2). This means that a decrease in their level of income or consumption translates into a relatively lower increase in their chances to be food insecure, compared to other households. In addition, engagement in these agricultural activities tends to be associated with lower levels of food insecurity among poorer households.

Interventions for enhancing smallholders' agricultural productivity (e.g. introduction of new crops, markets or technology) should consider the safety net role that agricultural activities also have. Specifically, on their role for the food security of families engaged in it, through both income generation and consumption of own-produced food. In the countries analyzed, those engaged in agriculture tend to show greater food security resilience against poverty and, plausibly, against welfare shocks such as that brought about by the COVID-19 pandemic.

### Income diversification strategies should focus on the quality of wage jobs to avoid negative consequences on food security

Furthermore, the analysis found that in most of the examined countries, poorer households engaged in wage labour are penalized in terms of food security, suggesting potential lower-quality of wage jobs available to them.

**FIGURE 2. Difference in marginal effects of welfare on food insecurity by (farming vs not farming households)**



Rural development interventions aiming at promoting diversification in off-farm and non-agricultural activities should thus consider that higher reliance on wage labour can be associated with higher levels of food insecurity and lower resilience against welfare shocks, especially for the poor.

To avert these potential consequences, interventions should focus on supporting the creation of more productive and more permanent wage jobs.

### Social protection systems with larger population coverage will help prevent food insecurity

In three sub-Saharan African countries with available data, the analysis found that households who suffer from shocks that limit their ability to produce, purchase, or consume food present a weaker relationship between income and food insecurity. This offers a potential explanation of the reasons why, among other factors, non-poor households could face food insecurity.

It also implies that, while reaching target 1.2 contributes to a large extent to achieving target 2.1, large populations would still risk food insecurity if social protection systems would not reach them. For example, through job-related social insurance and shock-responsive social assistance.