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### Social protection for improved food security: policy routes

Social protection can improve food security by alleviating poverty and building resilience. With increased income, households can increase and diversify food consumption. A rise in income can result in an increase in own production, which, in turn, further increases income. Hence, the interrelationship between social protection, agricultural productivity and food security is widely acknowledged.

Social protection for improved food security can help people to <u>'hang in', 'step up' or 'step out'</u>. First, from a rights-based perspective, social protection can maintain livelihoods at a survival level, helping people to 'hang in' by providing households with adequate food of sufficient nutritious value. Second, social protection can allow people to invest, which can increase household income and allow households to 'step up' and possibly graduate out of poverty. Finally, social protection can help a household to diversify or 'step out' of subsistence farming by setting up a non-agricultural business. Social protection achieves these aims through a wide range of instruments.

### Which instruments to use?

Social protection instruments differ in their effectiveness and some may work well in some contexts and not in others. The following are some of the social protection instruments that policymakers can use:

- Conditional cash transfers (CCTs): These are cash transfers provided to recipients conditionally. They have indirect effects on food security, as the conditions mainly involve school enrolment or attendance or spending on healthcare. The conditions can exclude some food insecure households from receiving CCTs or negatively impact on them; for example, enrolling children in school removes them from family farm labour where they contribute to food production, thereby decreasing food security (McCord & Slater, 2009). There are also high costs associated with managing and enforcing such a system. Large-scale implementation can, therefore, be problematic. As concluded by Devereux (2016): "Since conditionalities stimulate demand for social services, they should only be introduced if supply-side constraints are adequately addressed".
- Unconditional cash transfers (UCTs): These have both direct and indirect effects on food security. For instance, the Social Cash Transfer Pilot Programme (SCTPP) in Ethiopia reduced food insecurity. Beneficiary households experienced problems satisfying their food needs for around a week less, on average, than control households. Also, children ate 0.6 additional meals a day and households were less likely to have food shortages during the rainy season. Similarly, the Productive Safety Net Programme (PSNP) in Ethiopia found an increase of 0.15 meals a day and a reduction in 'hungry months' from 3.6 to 2.3, despite sharp food price rises and recurrent drought.

In terms of indirect effects, UCTs generally have high multiplier effects on income (e.g. <u>UNICEF</u> Zambia reported a multiplier effect of 1.6) and high multiplier effects for economies as a whole (e.g. <u>Davies and</u> <u>Davey</u> reported a multiplier effect of 2.0 for Malawi). These wider economic impacts include labour opportunities resulting from higher demand in local markets. UCTs can, therefore, be seen as a comprehensive, effective instrument for enhancing food security. Yet, it is important to take inflation and price seasonality into consideration, which are currently overlooked by most UCT programmes. Also, if problems on the supply side are not addressed, the increased demand caused by UCTs can

## INCLUDE

result in higher food prices. Therefore, UCTs should go hand-in-hand with policies aimed at increasing food supply or stabilizing prices.

- Price stabilization: Price stabilization can achieved through conventional methods, such as the fixing of single prices by government decree or by establishing food reserves (such as grain reserves) to control prices. By the end of the 20<sup>th</sup> century, attention had shifted to decentralized options and the regional coordination of food prices, as the impacts of government interventions were considered small or controversial (such as in the case of price regulation). With the recent food crisis in 2008, new light has been shed on public interventions. <u>Galtier</u>, for instance, argues that market-based strategies (such as risk-hedging tools or strengthening agricultural trade for the efficient movement of surpluses between regions) are inadequate and should be supplemented by (i) "structural safety nets that transfer cash or assets on a regular basis to vulnerable households [...] and (ii) public schemes that prevent grain prices from reaching extremely high values". The <u>ECOWAS plan</u> to develop regional buffer food stocks has led several West African countries to set aside 5% of their national food reserves for regional use.
- Agricultural input subsidies: Transfers can also take place 'in kind', such as through inputs for agricultural production. In kind inputs can increase food security in both the short term (protection against high and volatile input prices) and long term (improved productivity). The Farm Input Subsidy Programme (FISP) in Malawi resulted in lower maize prices in rural markets, improved availability of maize and higher wage rates for agricultural labour. Yet, 60% of the recipients were still net buyers of maize. A comparative review of agricultural input subsidies in Ghana, Malawi, Tanzania and Zambia concluded that input transfers are expensive and inefficient and do not reach the poorest farmers. More promising are 'smart subsidies', directly targeted at the poorest farmers.
- Direct food transfers: In kind transfers can also take the form of direct food transfers. These are highly controversial, as they can distort local and international markets (through decreased prices and lack of incentives for local production and trade), increase dependency, and are only effective for temporarily alleviating hunger (e.g. <u>Del Ninno et al. 2007</u>). Yet, they can be advantageous in fragile contexts with malfunctioning markets. When combining food transfers with local procurement from farmers in developing countries, such as in the World Food Programme's '<u>Purchase for Progress</u>' project, food aid can also stimulate food production and take away the disincentive effects of aid imports. When this occurs in a structural manner, farmers can steadily increase production.
- Asset packages: Social protection programmes can also provide asset packages. These contain support
  for human and physical capital, such as coaching, training and access to financial services. Programmes
  using these packages often combine them with cash or food transfers, such as the <u>BRAC Chars</u>
  <u>Livelihoods Programme</u> in Bangladesh. Graduation programmes regularly make use of these packages.
  The Food Security Programme in Ethiopia <u>reports</u> that households that participated in the PSNP Public
  Works and received a complementary package reduced their food insecurity by 1.5 months, compared
  to 0.6 months for households that participated in Public Works without the complementary package.
- School feeding: School feeding is an important tool to improve children's access to food, as well as their nutritional status. This type of intervention is most successful when combined with a cash transfer aimed at improving health and school attendance, demonstrated by the <u>Oportunidades programme</u> in Mexico.

# INCLUDE

- Social insurance: The impact of social insurance on improving the food security of poor farmers is small, as they are often unable to pay premiums and, consequently, private insurers perceive such insurance as risky. Yet, some insurance programmes are making progress. Weather-indexed insurance, where farmers are compensated for harvest losses below a predefined level of rainfall, is an effective example of social insurance, because claims can be settled quickly and easily and moral hazard can be prevented. However, as many farmers cannot afford insurance and are more likely to spend their income elsewhere, it is difficult to implement this widely (<u>Chetty and Looney, 2005</u>).
- Public works programmes: Public works programmes have several indirect impacts on food security. Not only does employment provide households with the income to meet their dietary needs, but, as these programmes often focus on infrastructure, such as irrigation systems or feeder roads, they also improve access to markets for farmers. Feeder roads can improve mobility and, thus, enhance short-term or seasonal employment through migration, which can stabilize incomes. Public work programmes also enable rural labourers to negotiate higher wages and better working conditions, because they reduce dependence on exploitative employers. Another benefit has been recognized by Saxena, who proposes a public works programme "to plant fruit trees on degraded forests and homestead lands that belong to or have been allotted to the poor". This can contribute to their nutrition, diversify their livelihoods, and improve environmental sustainability. Such programmes already exist, for example, in Niger.

### Policy recommendations

Policymakers considering which social protection instrument to use should take the following into account:

- Articulate synergies between social protection and agricultural investment policies: Although the multitude of impacts of social protection interventions are recognized in research results, policy agendas seldom recognize the linkages. An overview of the potential linkages between social protection and agricultural development is presented in Devereux et al. (2008).
- Integrate social protection programmes within agricultural development and employment interventions: More often than not programmes are designed and implemented in isolation, rather than as part of holistic development policies.
- Pay attention to timing in agriculture: Interventions could include increasing (or decreasing) cash transfers based on fluctuations in food prices, but should also be well aligned with existing strategies to cope with seasonal vulnerabilities and opportunities. Drought Risk Financing under the PSNP in Ethiopia, which has been used <u>three times already</u>, is one example: in drought years the number of participants and the amount of support delivered to participants are increased temporarily.
- **Take into account that interventions are most successful when combined:** As food security is comprised of both stabilized and sufficient income, with the two requiring different types of interventions, sets of (targeted) interventions may be more effective than stand-alone programmes.
- **Examine 'winners and losers' scenarios before selecting the optimal set of interventions:** Social protection programmes often imply trade-offs, particularly in terms of food prices, which require a careful investigation of who will benefit and who will lose. For instance, when food prices are low it is more effective to transfer cash, whereas food transfers are more desirable when prices are high.
- Focus on the timely allocation of transfers or aid on a regular and predictable basis to stabilize livelihoods.

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