

One pager agricultural transformation & social protection May 2016

## The importance of social protection for Africa's agricultural transformation

Social protection is increasingly being recognized as a powerful instrument for enhancing productivity and employment and is, therefore, important for Africa's agricultural transformation. For instance, the Future Agricultures Consortium (FAC) and the Food and Agricultural Organization (FAO) explore how social protection and agricultural productivity are related in their recent studies 'Promoting agriculture for social protection or social protection for agriculture?', 'Social protection and agriculture: breaking the cycle of rural poverty', and 'Strengthening coherence between agriculture and social protection to combat poverty and hunger in Africa'.

Social protection programmes are being <u>implemented</u> more and more in Sub-Saharan Africa. Although these programmes have enhanced the resilience of vulnerable and poor people, alone they are inadequate to move people out of poverty. Because such people mainly earn a living from agricultural activities characterized by low income, they are left <u>vulnerable to shocks</u> and prone to losses due to natural disasters and uncertain inputs and markets. This exposure to shocks erodes their ability and willingness to engage and invest in activities that could improve their livelihoods. Women are particularly vulnerable to these shocks, and social protection policies <u>aimed at women are often very effective</u>. Applying a <u>gender lens</u> to social protection can, therefore, be an important tool to empower women.

Linkages between agriculture and social protection are able to improve the livelihoods of vulnerable people working in agriculture. Some countries, notably Ethiopia and Mali, have developed interventions to provide safety nets to agricultural producers. However, the <u>FAC</u> and <u>FAO</u> reveal that mutual relationships between agriculture and social protection are not widely understood, interventions to integrate them are scarce and the impact of current programmes is limited.

This one pager looks at the evidence on relationships between agriculture and social protection for improved policy making. Its key message is that developing policies and programmes that build on the complementary and mutually reinforcing relationships between social protection and agriculture result in greater impact on people's livelihoods and contributes to inclusive development.

## The relationship between social protection and agricultural productivity

Social protection programmes support agricultural development by providing agricultural inputs and cash or income that farmers can use in agricultural activities. <u>Several studies</u> conducted in African countries reveal how social protection programmes can contribute to agricultural development in the following ways:

- Increasing ownership of livestock, tools and use of agricultural inputs. In Ethiopia, the Productive Safety Net Programme (PSNP) led to increased livestock holdings in participating households. Similarly, the Zambia Child Grant, which enabled recipient households to own more livestock, acquire more tools and spend more on agricultural inputs such as seeds and fertilizers. Also, the Lesotho's Child Grants Programme (CGP) led to an increase in the use of agricultural inputs such as pesticides.
- Increasing agricultural output. In Malawi, the provision of improved seeds and fertilizers to farmers in 1998 contributed to an increase in maize yields, "adding an estimated 100-150kg of maize to household granaries and 16% to the national maize harvest in its best year". Similarly, sorghum production increased among recipients of Lesotho's CGP.
- Increasing investment in non-farm activities. The Cash Transfer for Orphans and Vulnerable Children (CT-OVC) programme in Kenya increased participation in non-farm enterprises by seven percentage points for female-headed households. Likewise, South African beneficiaries of the social pension initiated new microenterprises or strengthened existing ones.



- Boosting local markets by creating demand for food and services. In Ghana's Livelihood Empowerment
  Against Poverty (LEAP) cash transfer programme, beneficiaries spent approximately 80% of their
  income within the local economy, creating more demand for food products and services.
- Improving risk management. Literature, such as the African Development Bank Background paper, shows that weather index agricultural insurance has the potential to protect farmers and improve their access to finance, resilience to shocks, and access to higher cost, higher yielding inputs to increase income. The INCLUDE research group 'Weather insurance for Ethiopian farmers' currently investigates the cost effectiveness of integrating weather index agricultural insurance into the PSNP.

## Additional benefits of social protection

The work of the 'Weather insurance for Ethiopian farmers' group shows that, although interest in social protection is rising, there is still room for discussion on the benefits and financial sustainability of investments in social protection. Yet, social protection creates clear additional benefits for other interventions on in agricultural transformation that require it to be mainstreamed, as illustrated by the following:

- Linking agricultural and social protection interventions offers complementary benefits. For instance, in Ethiopia, households that had access to both the PSNP and complementary packages of agricultural support demonstrated more food security and were more likely to seek productive credit and operate their own non-farm business activities.
- Social protection has economic benefits beyond the development of vulnerable groups. As outlined by FAO, social protection schemes have greater growth effects beyond merely benefiting the poor. Furthermore, when aligned with other policies there are complementary benefits. For instance, employment policies that require large and risky investments can become more effective with adequate social protection. Given the focus on diversification and increased investments in e.g. fertilizers or machinery within agricultural value chains, social protection can be the backbone in making these shifts happen.
- Agricultural interventions may reduce the need for social protection. Agricultural interventions seek to
  address the challenges that farmers face in accessing inputs and markets, new and appropriate
  technologies, and extension services and building agricultural infrastructure. Such interventions aim to
  improve agricultural productivity, increase income, and boost food security, all of which enhance the
  resilience of households and contribute to poverty reduction, thereby reducing the need for social
  protection.

## Key messages

This one pager has outlined the relevance of social protection for agricultural development policies and noted how the benefits of social protection go beyond poverty alleviation or the protection of vulnerable groups. In placing social protection at the core of policies on Africa's agricultural transformation, policymakers must:

- Recognize the complementary objectives of agriculture and social protection and establish principles that guide coherent social protection and agricultural development interventions
- Acknowledge that social protection policies are key to empowering women and youth, and should be tailored to the needs of these groups to promote employment
- Increase awareness and evidence of the impact of the linkages between social protection and agriculture, as well as the potential trade-offs
- Recognize that focusing on synergies between social protection and agriculture is more appropriate in interventions that aim to improve people's livelihoods and attain inclusive development
- Pursue consistency between social protection and agriculture across agencies and their policies, programmes and operational systems (horizontally) and across different government levels (vertically)
- Acknowledge that political commitment, institutional coordination and adequate resources are crucial for initiating complementary social protection and agriculture policies and programmes

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Weblink: http://includeplatform.net/downloads/importance-social-protection-africas-agricultural-transformation/