Integrating Social Protection into Agricultural Development Programmes

Background and Context

The 2014 Malabo Declaration emphasises agriculture-led growth as the engine for poverty reduction in Africa. In signing the Declaration, African leaders committed to end hunger on the continent by 2025, in part by integrating social protection with measures to increase agricultural productivity and committing resources to finance this integration (Commitment 3).

Social protection programmes — public or private initiatives that aid the poor and protect the vulnerable against livelihood risks — can effectively be used to assist those trapped, or at the risk of being trapped, in chronic poverty. Since most Africans still make their living 'directly' from the land, they are particularly vulnerable to natural disasters, climate shocks and food insecurity. However, in contrast to other regions, coverage of social protection is extremely low in Africa – see Figure 1. Cash transfers are the most prominent form of social protection on the continent. When recipient households, especially those living in remote rural areas of developing countries, face significant challenges and shocks, especially those that affect value chains, social protection can be invaluable in boosting agricultural production and productivity. In light of this, social protection can be said to have three objectives – the 'three P's':

- **Protection** of households against hunger through consumption smoothing;
- **Prevention** – intended to protect a household's assets during crises;
- **Promotion** of livelihoods.

Social protection can affect agricultural production and productivity through three channels in the short and medium terms. First, social protection interventions — such as unconditional cash transfers — reduce liquidity constraints and encourage spending on agricultural inputs. If regular and predictable, cash transfers can also facilitate small-scale savings or investment by acting as collateral, thereby enabling access to credit. Second, social protection instruments can affect the attitudes of farm-household members toward risk by altering household wealth. Third, social protection instruments may have a positive effect on food and nutrition security, which may in turn enhance labour productivity. Although

KEY MESSAGES

- **Emphasising the livelihood promotion role of social protection is key for building coalitions between ministries charged with social protection and with agricultural development. Maximising synergies between social protection and agricultural programmes can boost agricultural production and productivity, thus contributing to long-term growth and poverty reduction.**
- **Social protection initiatives that evolve out of domestic political agendas and which respond to local conceptualisations and prioritisations of need are more likely to succeed than initiatives which are based on imported, 'projectised' models.**
- **The long-term success of social protection programmes depends on the strength of local and national political systems. Mobilising the population to claim rights or entitlements from the state is also an essential complement to technocratic approaches to social protection.**
- **In order to ensure their long-term sustainability it is imperative that domestic tax collection systems are strengthened. Well-designed national social protection programmes can play a vital role in ensuring that the benefits of, and opportunities provided by, economic growth reach the poorest and most vulnerable households.**

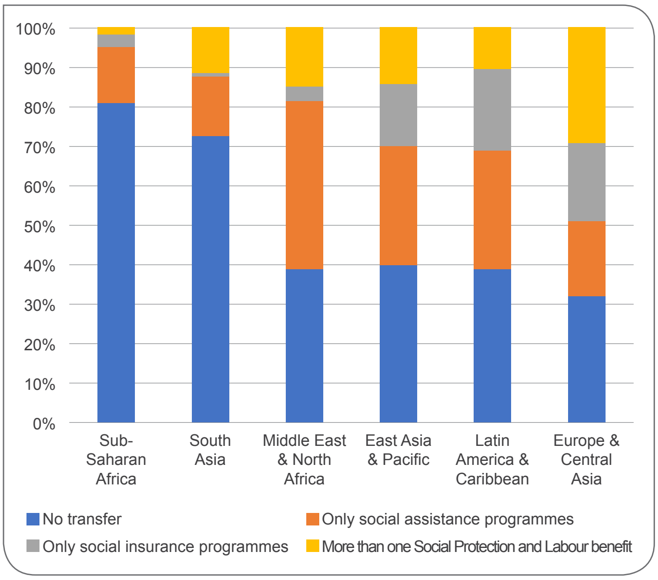

Figure 1: Global social protection figures, by percentage of total population. *Data Source: ASPIRE (World Bank).*

investments in social protection programmes are often motivated by welfare and humanitarian concerns, they can also contribute to economic growth by, for example, encouraging savings, creating community assets and / or addressing market imperfections.

The Main Challenges to Developing Social Protection Systems

The extension of social protection in Africa is highly diverse, its dynamics are complex, the challenges to financing and delivery remain large and there are significant challenges in terms of ensuring political commitment to social protection. African countries can and must make substantial progress in developing functional social protection schemes during the coming years: the stability and growth of their economies depend directly upon it. The resources needed to meet future demand for social protection will be substantial and are bound to compete with investments required to accelerate and broaden the current economic recovery process, but countries that fail to address the demand are likely to face social and political unrest.

Social protection systems that are well-designed and implemented can powerfully shape countries by enhancing human capital and productivity, reducing inequalities, building resilience and ending inter-generational cycles of poverty. Such systems and tools are transformative as they not only help the poor and most vulnerable mitigate economic and fiscal shocks, but they also help to ensure equality of opportunity by giving them a chance to climb out of poverty and become productive members of society. When poor and vulnerable people can improve the lives of themselves and their families, they are less likely to move in search of a better life. Well-designed social protection programmes have shown themselves to be highly cost effective, costing a country an average of 1.5 percent of its GDP.

Today, many of the people who need good social protection, labour programmes and labour systems the most are often the least likely to have access to them. Poor populations, marginalised groups and those working in the informal sector are particularly excluded, for example. The 2012 World Development Report on gender and development notes that poor women are often among the most disadvantaged, especially in their access to services.

Accurate targeting as a form of rationing is a critical element of both food security and livelihood support for the poorest people. The targeting challenge is how to accurately and cost-effectively identify and register households or individuals who are eligible to receive resource transfers, thereby screening out those who are defined as ineligible. Aligning coverage goals with cost-effective solutions often requires difficult choices about trade-offs. Implementing programmes effectively is usually a greater challenge than developing good designs, calling for attention to programme detail, capacity building and performance management.

Recommendations for Anchoring Social Protection Within NAIPs

A systems approach provides a comprehensive social protection response, offering beneficiaries a broad range of coordinated, multi-sector interventions under a single social protection structure which is preventive, protective, promotive and transformative (as adopted by Lesotho, Ghana and Kenya). Zimbabwe, Mali, Malawi, Rwanda and Mozambique, meanwhile, are in the process of developing and strengthening national case-management systems and management and information structures that facilitate coordination and integration of different social protection programmes.

- **Basis for including social protection interventions in NAIPs in order to support the commitment to end hunger and halve poverty**

  We can consider the role of social protection in the lives of rural (and urban) households across direct income effects and indirect income effects. The provision of income through social protection directly reduces one of the largest risk factors undermining wellbeing of children (and adults), namely poverty.

  Children are the most common target group for social protection programmes in Africa. Social protection — and cash transfers in particular — have proven to be powerful tools for improving child wellbeing and care in terms of material, psychosocial and other aspects.

Impact evaluation of cash transfer programmes in Kenya, Lesotho, Malawi, Zambia, Ethiopia and Ghana have revealed that cash transfers unambiguously increase the food security of beneficiary households. Evidence also suggests that combining specialised and general food assistance is more effective than using a single form of transfer. In addition, food assistance in conflict zones may provide a platform to improve growth for children outside the priority age group of the first thousand days of life. Social protection may also lead to indirect income effects for adults and children: growing numbers of recent studies suggest that receiving regular transfers reduces poverty-induced stress and psychosocial tensions.

Social protection has also been proven to reduce and eliminate financial and social barriers to accessing services, particularly among the most vulnerable and excluded, and it thus contributes to maximising equitable outcomes within key social sectors such as health, nutrition and education.

Notwithstanding the power of direct and indirect income effects, transfers in and of themselves are not sufficient to transform livelihoods. The wide and expanding evidence base regarding the impacts of social protection clearly point at both the power and the limits of cash transfers. Although they lead to strong positive results in reducing the material aspects of poverty and supporting access to services, they fail to induce the behavioural change needed to transform livelihoods. Graduation from regular cash transfer programmes into self-support has generally been slow. Graduation is a function of many factors including production disincentives, the ability or inability to create capacity and the effectiveness of implementers at graduating their beneficiaries.

Social protection for enhancing resilience to climate variability and other related risks

Almost three quarters of economically active rural populations in sub-Saharan Africa are smallholder farmers. Agriculture faces a variety of risks and uncertainties, many of them related to climate variability, and most farmers do not have access to governmental or market-based risk management tools. Cash transfers can be a tool to address this growing problem. Although not typically used as a risk management strategy, cash transfer programmes provide a cushion against shocks, enhancing household- and community-level resilience and / or the ability to remain at a certain minimum level of income and wellbeing. By providing a steady and predictable source of income, cash transfer programmes can build human capital, improve food security and potentially strengthen households' ability to respond to and cope with exogenous shocks, allowing them to diversity and strengthen their livelihoods sufficiently so as to prevent future fluctuations in consumption.

Social protection to support growth in agriculture

When recipient households, especially those living in remote rural areas of developing countries, face significant barriers in multiple markets, social protection can affect agricultural production and productivity through three channels in the short to medium term.

First, social protection interventions — such as unconditional cash transfers — reduce liquidity constraints and may encourage spending on agricultural inputs. If regular and predictable, they can also facilitate small-scale savings or investment, by acting as collateral, thus enabling access to credit. Second, social protection instruments can affect risk attitudes of farm household members by altering household wealth. Third, social protection instruments may have a positive effect on food and nutrition security, which may in turn enhance labour productivity. Although investments in social protection programmes are often motivated by equity concerns, they can also contribute to economic growth by encouraging savings, creating community assets and addressing market imperfections. This means that resources spent on cash transfers may generate broader benefits to the agricultural economy, and so the trade-off between rural poverty reduction and raising agricultural productivity may not be as stark as is commonly perceived.

Policy recommendations: considerations for including social protection within NAIPs

By addressing constraints on household decision making, social protection programmes can enhance agricultural production and productivity. One such example are Cash+ (cash plus) programmes in rural areas. These provide regular transfers in combination

with additional components such as productive assistance and training. The aim of Cash+ is to reach beyond income effects, inducing further behavioural changes and / or addressing supply-side constraints.

While available evidence shows that cash transfer beneficiaries invest in economic and productive activities, which contribute to livelihood improvements, often households need such additional support to transition to a higher-income livelihood and graduate from social protection. The 'plus' components of Cash+ strengthen the economic and productive impacts of the cash component. In rural areas the 'plus' component often focuses on agricultural productivity. This approach — integrating measures for increased agricultural productivity with those for social protection — demands coherence between agricultural and social protection policies and budgets. Prioritising coherence between agricultural and social protection policies is a necessary component of policy innovation; it is especially necessary for enhancing the productive capacity of poor and vulnerable small-scale farmers.

When it comes to the design of cost-effective social protection programmes, informed decision making on the three key features of these programmes — targeting, the choice of payment modality and graduation — is crucial. Experimenting with small-scale pilot programmes which experiment with and evaluate variations in those features can inform decision making very effectively. At the same time, well-functioning monitoring and evaluation (M&E) systems can document progress in implementation and generate information that can be used to improve overall programme design.

External funding continues to play an important role in financing social protection programmes, a situation which raises concerns about the long-term sustainability of social protection on the continent. M&E systems should be developed early on as a core component of programme design. In order to ensure the long-term sustainability of social protection programmes, meanwhile, it is important to move toward domestic financing models.

Measuring Progress on Social Protection Under CAADP

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
3 Ending Hunger by 2025	3.4 Social protection	Promote and invest in social protection initiatives and programmes focusing on vulnerable social groups in order to increase agricultural productivity.	3.4 Budget lines on social protection as a percentage of the total resource requirements for coverage of vulnerable social groups.	100%

Further Information

- ReSAKSS (2018). *Boosting Growth to End Hunger by 2025: The Role of Social Protection*. - View
- World Bank (ASPIRE). *The Atlas of Social Protection Indicators of Resilience and Equity*. - View
- World Bank (2012). *World Development Report 2012: Gender Equality and Development*. - View

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Prepared by: Fleur Wouterse, IFPRI

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