

# 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
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- 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

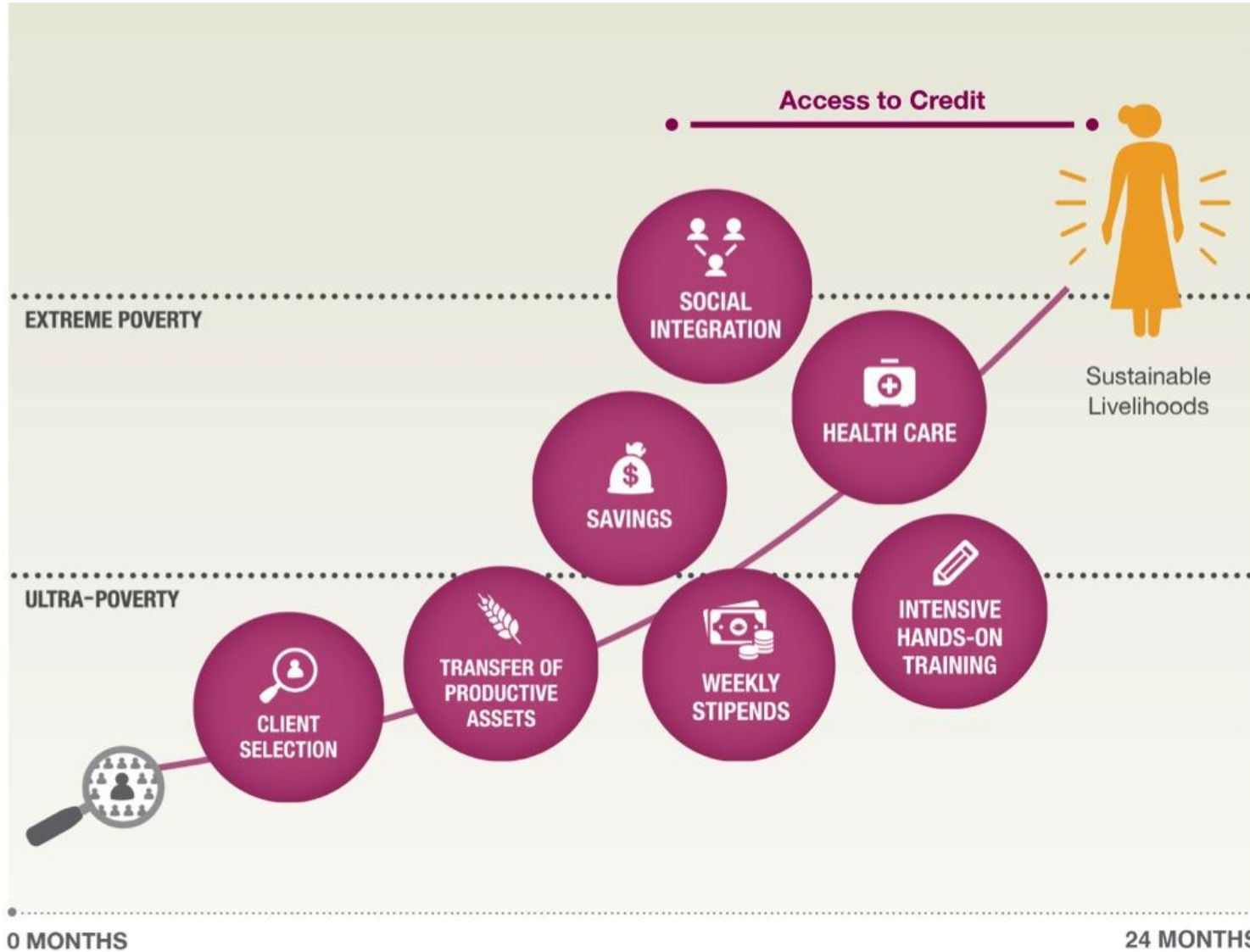
- Productive packages
  - Assets, inputs, revolving cows/goats, etc
  - Mixed results, and potentially more expensive
- Agricultural extension and training
  - Mixed results
- Incentives to small business formation
  - Mixed results
- Facilitating labour market participation
  - Mixed results



# 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 (eg 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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