

Social Protection, Rural Development and Food Security:
Issues paper on the role of social protection in rural development

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Contents

1. Introduction	6
2. Policy Trends in Social Protection and Safety Nets in Africa.....	10
Structural Adjustment and Social Risk Management	10
Changes in Social Protection in Africa in the 2000s.....	11
Social Protection in the International Development Discourse	12
Recent Policy Developments	13
ILO and Affordability.....	14
Social Protection and the Global Crises	15
Summary of Recent Policy Trends.....	16
Current Social Protection Programming in Africa	18
3. Concepts, Approaches and Frameworks	20
Conceptual Frameworks for Social Protection.....	20
Social Risk Management Framework.....	20
Transformative Social Protection	22
Linking Social Protection and Agricultural Growth.....	23
Social Protection and Rural Development	25
4. Social Protection Instruments and their Impacts	27
The Composition of Social Protection	27
Social Assistance.....	28
Cash Transfers	28
Conditional Cash Transfers	29
Lump Sum Cash Transfers	30

In-kind Transfers	31
Public Works Programmes	33
Conclusion.....	36
5. Social Protection Design and Delivery.....	37
Key Debates Informing Social Protection Design	37
Targeting.....	37
Graduation	38
Dependency	38
Fiscal Prudence.....	39
Design Factors Influencing Social Protection Impact on Poverty, Graduation and Local Economic Development	40
Targeting.....	41
Value of the transfer	41
Duration of transfer receipt.....	42
Transfer reliability	43
Scale of coverage.....	43
Integration with other developmental programmes.....	43
Institutional Capacity	43
Implications for Social Protection Programming.....	44
6. Knowledge Gaps and Unresolved Questions Relating to Social Protection and Rural Development.....	46
Can social protection simultaneously address social exclusion and stimulate economic development?.....	46
Is there a tension between targeting the poorest and the likelihood of graduation?	46
How affordable are social protection programmes?	47

What do different forms of social protection cost?	47
Is it appropriate to exclude those with labour from certain forms of social protection?.....	47
7. Conclusions and recommendations for a joint initiative on social protection.....	49
Conclusions	49
Recommendations	50
Addressing livelihoods and poverty	50
Graduation	50
Rural development.....	50
General Recommendations	50
Donor harmonisation	50
Cost and affordability	51
8. References	54

1. Introduction

This report offers a brief overview of social protection within the current development discourse with reference to Low Income Countries (LICs). The report has the objective of contributing to the emerging debate among a coalition of Dutch Ministries, NGOs and knowledge institutes, and stimulating critical thinking around the relationship between social protection and rural development. The report is in part a response to the memorandum on *Agriculture, Rural Economic Development and Food Security* (see Appendix 1), produced in May 2008 by the Ministry of Foreign Affairs and the Ministry of Agriculture, Nature and Food Quality. This memorandum makes clear why, how and where the Dutch Government steps up its efforts to contribute more effectively to the achievement of especially MDG-1. One of the strategies (track 5) is on food security and transfer mechanisms.

Track 5 addresses the needs of vulnerable people, who generally do not have access to traditional development instruments (microfinance, chain development, agricultural investments) and are at risk of being structurally locked out of the economy, arguing that;

'attention must be given to vulnerable groups who are at risk of being structurally locked out of the economy' (Netherlands Ministry of Foreign Affairs, 2008)

Social exclusion and a limited asset base makes these people very vulnerable to livelihood shocks that further undermine their asset base and can create a negative spiral into chronic poverty. The role of social protection is to provide a level of income security and asset protection that enable people to escape this insecurity trap and lift them out of poverty. It also can play a role in building social and productive assets, by increasing school enrolment and enabling access to microfinance. Social protection can also strengthen people's rights and address equity concerns.

Social protection has linkages and overlap with other policy interventions, such as disaster management, social - and economic policy. This means that social protection measures can reinforce interventions in these other fields. Cash transfers can increase the local demand for food and stimulate local markets. Increased income security can enable access to microfinance and productive investments.

Social protection and safety nets are increasingly recognised as crucial elements in pro-poor development strategies. In 2006, 13 African countries signed the *Livingstone Call for Action* in which they state that social protection and social transfers play a key role in promoting growth and reducing poverty and that should be a 'more utilised policy option in Africa to reach the most vulnerable groups'. In the New Partnership for Africa's Development (NEPAD) and its Comprehensive Africa Agriculture Development Programme (CAADP) it is stated that achieving an immediate impact

on hunger requires that the production-related investments should be complemented by targeted safety nets. In 2008 the UN high Level Task force (HLTF) on the global food crises defined its Comprehensive Framework for Action, presented 'enhanced social protection' as one of the four key-actions to achieve long term global food and nutrition security, and most recently the re-emergence of the social floor debate within the UN and ILO, is attempting to reinforce a rights based approach to social protection provision.

Recent social protection initiatives in Middle Income Countries (MICs) such as South Africa and Brazil are the result of national government attempts to promote more equitable growth). Donors are supporting initiatives in Low Income Countries (LICs) to pursue similar strategies, through the support to the development and implementation of national safety net or social protection programmes, and in some instances bundling their support, as in the case of the case of the Ethiopian Productive Safety Net Programme (PSNP).

In the Netherlands the debate on social protection and safety nets is rather new and the term is not frequently used in policy documents produced by Dutch development agencies. At the same time most organisations are becoming involved in social protection initiatives as part of their work on food security, vulnerable groups, human rights, HIV and AIDS and humanitarian crises.

As outlined in track 5 of the memorandum, the Dutch government is concerned with exploring the role of social protection interventions in terms of providing a level of income security and asset protection that enable people to lift the socially excluded out of poverty. In particular it is concerned with considering the relationship of social protection to the promotion of: i) livelihoods, ii) social transformation and iii) rural development. These three concerns relate to economic and social impacts at household and community levels, and an exploration of the relevant theoretical and empirical material relating to these three levels of impact will form the focus of this report.

In addition to addressing the impact of social protection interventions at micro (household) and meso (community) level, this report will also discuss impacts at the macro level, relating to the national economy (within the current discourse there is often an implicit or explicit assumption that social protection interventions may contribute to growth), together with a simultaneous contrary concern, largely on the part of governments, that social protection represents consumption expenditure, and does *not* contribute to growth. Recent research has clarified that changes at any of these levels does not necessarily imply changes in the other two, and that the relationships between these levels is mediated by a range of economic and institutional factors.

This report will not focus on the broad question of the relationship between food security, rural development and social protection, examining all interventions which may potentially be considered ‘socially protecting’, but on the linkages between social protection and livelihoods, transformation and rural development. While the impact of social protection at household level is direct, in terms of the economic and social impacts of increased household income (in kind or cash), the impact on rural development is indirect, and mediated by a wide range of institutional factors, hence less easy to quantify and assess.

At household level the impact of social protection can range from temporarily reducing the depth of poverty, to promoting sustainable graduation out of poverty - depending on the nature of the intervention, in terms of design and implementation, and a range of contextual features - and the appropriateness of either short or medium term impacts is determined by the nature of the crisis, acute or chronic which the intervention is attempting to address. Graduation and sustainable livelihoods promotion represents the acme in terms of potential household outcomes, and lesser outcomes may be more typical, and perhaps more feasible in many contexts. Whether social transformation results from social protection interventions is again the result of a complex range of determinants, including to community perspectives on the appropriateness of targeting practices, the value of the transfer, and whether social protection receipt is perceived as inherently stigmatising, or a legitimate part of the state-citizen compact.

The linkage between social protection and rural development is mediated by the nature of the intervention, and issues of scale, value, and duration are central to the impact on the local economy, each of which will be explored in this report. Evidence on linkages at the macro level, in terms of the aggregate contribution of social protection interventions to growth is limited, with few (if any) interventions in LICs being actually or potentially of a sufficient size, in terms of their cost, to have a significant or discernable impact on the economy. Hence, the primary questions which can be addressed in relation to the impacts of social protection interventions primarily relate to the household level, but these can in some cases also be considered at the community level (if the intervention is of a sufficiently large scale), relative to the local economy.

Critically, impacts on sustainable livelihoods, and the meso and macro-economy are also mediated by the implementation of complementary interventions relating to development and agricultural production, and the extent to which these are successfully coordinated is a major determinant of the sustainability of impacts and their impact beyond the household level in the broader economy.

This paper provides a review of key issues relating to linkages between social protection, livelihoods, transformation and rural development, with particular reference to those currently excluded from the benefits of growth, and locate them

within the current policy debate. The paper offers a brief descriptive and conceptual overview of social protection, and locates this within developments in the policy discourse in recent years, outlining the main institutional players, and highlighting key questions and current debates, illustrating them with case study insights drawn from recent programmes. The paper seeks to explore what is known about the role of social protection instruments in stimulating rural development and assesses the different approaches to social protection in different parts of the world and by different types of actors. Finally, the paper highlights key knowledge gaps and areas of contestation, before drawing out potential implications for the coalition of Dutch agencies, including government and NGOs, working on policy and programme development in this area. Given the brevity of the document, key debates are summarised, and full references are provided so that issues of interest can be pursued in detail.

2. Policy Trends in Social Protection and Safety Nets in Africa

Structural Adjustment and Social Risk Management

Social protection is not a new instrument in Africa. Many African countries implemented a range of social protection measures after independence, including the provision of free health care and pensions for government employees, as well as food and agricultural subsidies. However, following the implementation of structural adjustment programmes (SAPs) in the 80s, domestic expenditure on these items was reduced, and many programmes were scaled down or terminated (UNEC, 2009).

However, there was a rapid backlash in terms of social protection provision, which led rapidly to the re-emergence of debt, as summarised below;

'Concern about the adverse impact of SAP on the social sector led, during the 1980s and 1990s, to the emergence of an international consensus to bring social development back as a frontburner development issue. This consensus found reflection at a number of international fora, including the Copenhagen World Summit on Social Development, and was the impetus for the adoption of the International Development Goals, including the United Nations Millennium Development Goals (MDGs). The World Bank and International Monetary Fund similarly became a part of the reorientation when, in the late 1990s they agreed to grant debt relief to heavily indebted poor countries (under the Heavily Indebted Poor Countries Initiative) but required that debt relief gains be dedicated to the social sector in their poverty reduction strategy papers (PRSP), the prerequisite for debt relief.' (UNEC, 2009)

Hence during the 1990s, social protection programming was largely implemented in response to the negative impacts of structural adjustments policies, particularly in Latin America but also in Africa and Asia. This approach drew on the *social risk management framework* developed by the World Bank in the 1990s (see Holzmann and Jorgenson 1999), and as a result World Bank thinking dominated the design and implementation of social protection provision in middle and low income countries. This approach promoted a residual form of social protection based on supporting those adversely affected by structural adjustment, and primarily concerned with provision of *social safety nets*, as a response to shocks.

Under this approach the role of government in the provision of social protection was limited to the implementation of 'social safety nets for risk coping' (Devereux and Sabates-Wheeler, 2004: 8). Although by the turn of the century the Bank's position had widened somewhat from the safety net approach to take on a wider concept of social protection (see Holzmann & Jørgensen, 2000), the Bank's approach is still

widely criticised for the fundamental underlying assumption that through risk management the poor will be ‘bounced’ out of poverty (Meth, 2008).

While structural adjustment stimulated a range of interventions to support the poor through the temporary negative impacts of the adjustment process, one type of programme in particular - conditional cash transfers - received strong support from the World Bank and Inter-American Development Bank in this way came to dominate social protection practice in Latin America. This domination continues to the present day.

In Africa, the establishment of social action / investment funds was a more common response, and these funds were frequently associated with the adoption of public works programmes, providing short term employment opportunities, as the dominant approach for delivering welfare to poor households, rather than a cash transfer approach. Social funds, largely funded by the World Bank, remain a cornerstone of social protection responses across the continent, with current examples being the Malawi, Tanzania and Northern Uganda Social Action Funds.

Changes in Social Protection in Africa in the 2000s

During the early 2000s, a series of food crises in Southern and Eastern Africa stimulated a radical rethinking of the humanitarian responses to poverty which had been implemented over several decades, and played a major role in redefining social protection . This led to the recognition that far from being unpredictable humanitarian crises, these situations were more a reflection of chronic poverty and vulnerability, and as such were inherently predictable, such that,

‘a modest external threat, such as erratic rainfall, was all that was required to trigger widespread suffering’ (Tibbo and Drimie, 2006:1)

In Ethiopia for example, emergency appeals for humanitarian support had been launched every year since the famine of 1984, and in many countries essentially predictable and chronic hunger had come to be characterised as unpredictable emergencies requiring repeated humanitarian responses. Rethinking such crises led to a shift in the design of the response by governments and the international community, based on the realisation that rather than repeated humanitarian responses at times of acute need, a more appropriate response would be one designed to address chronic vulnerability and the structural factors underlying vulnerability by implementing social protection programmes, in coordination with a range of other developmental initiatives. The consequence was a radical change in programming, attempting to develop predictable and medium term responses to crises which are largely predictable, and interventions which, over time, reduce vulnerability to, and the underlying causes of, such crises. The result has been the emergence of medium term developmental responses which aim to meet not only immediate needs, but also

contribute to the reduction of vulnerability by promoting livelihoods, while also addressing the factors that causes vulnerability by the provision of appropriate infrastructure and systems. The Productive Safety Nets Programme (PSNP) in Ethiopia is the largest of such programmes, and has been designed to include medium term interventions which contribute to protective, promotive and transformative social protection, focussing on support for developmental activities which are productivity enhancing, and environmentally protecting, as well as providing resources at household level.

The development of predictable responses to predictable crises has in this way also contributed to changes in the social protection discourse in Africa more widely in recent years, increasing the focus on ‘graduation’ out of poverty, and attempting to recast social protection as productive or investment, rather than consumption expenditure.

Social Protection in the International Development Discourse

Despite the growing recognition of the role of social protection as a response to both structural adjustment and also chronic poverty, social protection has not until recently been central to the international development discourse, with neither PRSPs nor the MDGs explicitly including social protection as a key approach to poverty reduction.

The call for the creation of national Poverty Reduction Strategy Papers (PRSPs) was initiated by the IMF and the World Bank in 1999, with the aim of creating comprehensive country-based strategies for poverty reduction. PRSPs are described by the IMF as;

‘the macroeconomic, structural, and social policies and programs that a country will pursue over several years to promote growth and reduce poverty, as well as external financing needs and the associated sources of financing’ (IMF, 2009)

Despite this, the PRSP process did not explicitly recognise social protection as a core issue for inclusion in the PRSP development process. A report, based on research conducted in 2001, which reviewed the role of social protection in PRSPs concluded that;

‘Adequate social protection is increasingly recognized to be crucial for poverty reduction. However, these PRS documents suggest that it is not being tackled systematically in most poverty reduction strategies, though many countries are undertaking some social protection measures’ (Marcus and Wilkinson, 2002)

As recently as 2002, social protection programming was not routinely included PRSPs, as illustrated by the example of Madagascar, where the World Bank concluded;

‘Social protection was not taken into consideration in either the intermediate PRSP or the temporary complete PRSP. Social protection appears to be a new issue in a country’s development program’ (World Bank, 2002).

Similarly while it is widely recognised that social protection has a contribution to make to the first Millennium Development Goal (MDG1, Protecting the Most Vulnerable), the provision of social protection is not explicitly stated as an objective. However, although the MDGs may not represent a direct call for the provision of social protection, attempts to achieve this goal have stimulated the expansion of social protection in MICs and LICs, and regional debates such as the AU’s Livingstone Process (see below).

Recent Policy Developments

Throughout the 2000s social protection and/or safety nets have increasingly been recognized as central elements in pro-poor development strategies in low income countries, as attested by a series of major initiatives taken by African governments in recent years, see box 1, culminating in the 2006 Livingstone process.

Box 1: Recent African Social Protection Policy Developments

2002 *Comprehensive Africa Agriculture Development Programme (CAADP)*

Drafted by NEPAD & FAO, argued that targeted safety nets are required to complement activities to promote regional food production in order to safeguard households against hunger.

2004 *Ouagadougou Summit of African Union’s Heads of States and Governments on Employment and Poverty*

Called for direct action to enhance social development.

2005 *Commission for Africa’s report ‘Our Common Interest’*

Highlighted the central role of social protection interventions in long term poverty reduction

2006 *Livingstone African Union Conference*

Call for action on the extension of social protection provision

2008 *African Union Ministerial Conference on Social Development*

Follow up to Livingstone and endorsement of the African Social Policy Framework

The most significant of these initiatives is the major process initiated by the AU in 2006 with financial support from the UK government and lobbying support from the Grow Up Free From Poverty (GUFFP) Campaign coalition of NGOs, which resulted in an AU Conference in Livingstone, Malawi in 2006. The conference resulted in 13 African countries¹ becoming signatories to the *Livingstone Call for Action*, which

¹ Ethiopia, Kenya, Lesotho, Madagascar Malawi, Mozambique, Namibia, Rwanda South Africa, Tanzania, Uganda, Zambia and Zimbabwe

states that social protection and social transfers play a key role in promoting growth and reducing poverty and should be a 'more utilised policy option in Africa to reach the most vulnerable groups'.

The initiative called for

'practical measures to enhance development support to the needy and most vulnerable group. This included social protection schemes and programmes as well as the benefits of cash transfer, among others. The conference focused on the high level of poverty in Africa and the likelihood that the Millennium Development Goals will not be reached unless development strategies incorporate direct action to enhance social development and narrow the inequality gap.' (AU, 2008: 1)

The Livingstone Call for Action stated that social protection and social transfers have a key role to play in 'reducing poverty and promoting growth' in African countries, and that such programmes are 'affordable within current resources', a contentious issue which is discussed further below. In practical terms the Call to Action required participating governments to 'develop costed plans within 3 years', and called for a bi-annual conference to monitor progress (ibid).

Later that year, in September, 2006, the Yaoundé Call for Action called for Governments to implement the Livingstone Call for Action, and in 2008 an African Social Policy Framework was developed by the AU, which included guidelines for social protection programming, and was endorsed at a conference of AU Ministers for Social Development, the first of its kind. The AU is also working with international agencies to develop African civil society constituencies to support the development of national social protection programmes.

The Livingstone Process has significantly raised the profile of social protection with governments, donors and civil society in Africa, and has explicitly called for the adoption of social protection as a tool to assist in the realisation of the MDGs.

ILO and Affordability

During the same period there has been intense discussion regarding the affordability of social protection provision in LICs, with the ILO leading work to model affordability in a number of African and Asian countries (ILO, 2008). The main conclusion of the ILO has been that the provision of basic social protection interventions for all of the world's poor is in principle 'affordable', with the cost of a basic package of interventions representing approximately 2% of global GDP. The extent to which the limited package of interventions is acceptable or desirable, the feasibility of funding the programmes to any significant degree from domestic resources, and the willingness of the donor community to make significant future

funding commitments to cover the funding gap, remain open policy and empirical questions (McCord, 2009b). However, notwithstanding these concerns, it is now frequently assumed in the public domain that basic social protection provision can be funded for 1% of GDP in LICs, and that such provision is ‘affordable’, see for example the recent policy statement from the DAC High Level meeting in May 2009;

‘Social protection programmes can be affordable, including for the poorest countries’ (DAC, 2009)

Social Protection and the Global Crises

The recent food, fuel and financial crisis has resulted in two major initiatives, relating to social protection, the establishment of the UN High Level Task Force (HLTF), and the emergence of the Social Floor debate in the UN.

In response to the 2008 global food crisis, which subsequently became a tripartite crisis of fuel, food and finance, a *UN High Level Task Force (HLTF)* was established, which included in its Comprehensive Framework for Action, ‘enhanced social protection’ as one of the four key-actions to achieve long term global food and nutrition security.

At the same time the initiative to promote the concept of the ‘social protection floor’ re-emerged from the UN, led by the ILO and WHO, in an attempt to reinforce the social protection debate by grounding it in the rights discourse. The objective of the initiative is to promote a rights-based case for the provision of social protection and access to basic services in response to the current global crisis.² The term ‘social floor’ is shorthand for the provision of a basic set of social rights, services and facilities that the global citizen should enjoy and corresponds to the existing notion of ‘core obligations’ to ensure the realisation of, at the very least, minimum essential levels of rights embodied in human rights treaties, and needs to be supported by the development or amendment of the legislative system to uphold and protect the rights of those likely to be affected. While the immediate stimulus for this initiatives is the risk that the financial crisis will roll back decades of investment and compromise advances towards the MDGs, its origins lie in the 1966 International Covenant on Economic, Social and Cultural Rights³, and the agreement at the 2004 World

² This section draws on ‘UN System Joint Crisis Initiatives’, ILO, unpublished, May/June 2009.

³ The concept is based on the International Covenant on Economic, Social and Cultural Rights (1966) to which 160 countries are signatories. With respect to economic and social rights the covenant requires states to deliver a ‘minimum core’ set of guarantees and services essential for human survival, relating to health, food, education, water, sanitation, social security and employment, and beyond this minimum level, required social and economic rights to be realised progressively over time, within the maximum extend of all resources available to the state. The concept of the ‘minimum core’ establishes the normative foundations for the social protection floor concept. (ILO, 2009)

Commission on the Social Dimension of Globalisation that ‘A certain minimum level of social protection needs to be an accepted and undisputed part of the socio-economic floor of the global economy’.

The floor is defined as having two main components that together help to realise human rights as enshrined in the Universal Declaration of Human Rights⁴; essential services provision - ensuring the availability, continuity and access to public services (such as water and sanitation, health, education and family-focused social work support), and social transfers: a basic set of essential social transfers, in cash and kind, paid to the poor and vulnerable to enhance food security and nutrition, provide a minimum income security and access to essential services, including education and health care.

At national level the provision of a social floor may require development or amendment of the legislative system to uphold and protect rights, based on key human rights principles such as non-discrimination, gender equity and people’s participation, and in countries lacking strong social security and income support programmes a social protection floor would consist of a basic package of social transfer plus actions to guarantee access to adequate and affordable sources of nutrition and social and health services.

Potential social protection strategies anticipated to realise the social floor; include i) an extension in the provision of social assistance in kind and cash, with widened eligibility conditions, increasing benefit levels in existing social security schemes and introduce new ones, such as employment guarantee schemes, creating food assistance programmes, and strengthening mechanisms for ensuring availability of and access to health and education services.

In order to promote the social floor the UN are considering radical new ways of working, including participation in a global coalition and improved UN coordination at international and national levels, including the establishment of joint funding mechanisms for social protection programming.

Summary of Recent Policy Trends

In the last decade there has been a growing recognition of the importance of social protection as an intervention to compensate for the inequitable nature of growth, the exclusion of many of the poor from the benefits of growth, particularly in rural areas and the persistence of poverty. It has seen a general recognition of the limitations of a safety nets approach, on the basis that the global problem is not one of temporary or

⁴ Health, education, employment, social security, water and sanitation, as outlined in the Universal Declaration of Human Rights

acute impoverishment, but chronic poverty, and that this problem requires policy responses which explicitly address poverty, since growth alone will not address the triple challenges of asset building, social transformation or rural development.

So while the space for social protection interventions which explicitly address poverty is now open, social protection retains a somewhat multiple and contested identity which is not always resolved or internally consistent, in terms of national government or donor policy rhetoric and programme development. The three core social protection identities prevalent in the discourse are, i) providing support for consumption smoothing at times of acute need (the safety nets function), ii) supporting those in chronic poverty, and potentially also iii) enabling 'graduation' out of poverty, and stimulating transformation (social and/or economic) and local economic development.

While on the one hand it is recognised that there is a need to provide relief to the poorest, there is also a simultaneous desire on the part of donors and governments, for such relief to contribute to graduation out of poverty and to contribute to micro (and ideally also meso- and macro-economic growth). This approach both justifies social protection expenditure in terms of contribution to growth, and also suggests that social protection does not imply an ongoing fiscal liability or dependency on the state on the part of the poor, but instead represents a 'treatment' for poverty, resulting in graduation out of 'dependence' on the state. In this way graduation and growth objectives have been linked repeatedly to the objective of social protection in many discourses, irrespective of the logic of expecting the instruments adopted to meet such multiple objectives which in some instances may even have contrary design or targeting implications.⁵ The feasibility of such an approach remains an open question, and much as it would be desirable for social protection to result in growth and graduation, it may be that aiming for more modest outcomes in terms of poverty reduction would be more appropriate, and also more consistent with the realisation of a rights based approach. As the ILO argues, the achievement of even this more modest outcome would be of enormous significance;

'We know that to many, even a basic set of benefits could make the difference between a liveable and a miserable life, often between life and premature death. Millions of children under five die every year because they have no access to adequate health care and there is no income to secure their food.' (ILO, 2008:1)

The key conceptual frameworks which have been developed to articulate and link these diverse aspects of social protection are reviewed in the next chapter.

⁵ Targeting the poorest may result in the greatest reduction in poverty gap and increases in nutritional status of educational participation per unit of investment, but may not lead to the same rate of graduation out of poverty, or local economic development.

Current Social Protection Programming in Africa

In Africa, the outcomes of this policy debate on the ground are extremely limited. Globally social protection coverage is low, encompassing only 20% of the population (ILO, 2009), and in LICs coverage levels are significantly lower, and inequitably distributed. Te Velde et al find that across 10 countries, the general trends in social protection activity are as follows:

‘Across the case study countries, social protection provision is piecemeal and fragmented, with low levels of coverage. However, during the past five years, national social protection strategies have been adopted in most of the case study countries, with the objective of coordinating and extending social protection provision (te Velde et al, 2009:29)

Where social protection programmes are in place, they tend to be inequitably distributed, assist only a small percentage of the poor and offer disproportionate support to those in formal employment, particularly government employees (ibid). A recent review of cash transfer programming in three sub-Saharan African countries found that cash transfers currently have coverage of between 1 – 4% of the poor (McCord, 2009b). In recent years national social protection strategies have been developed in many LICs with the objective of coordinating and extending social protection provision. However, progress has been limited, and adversely affected by the economic slowdown resulting from the global economic crisis. At a national level, already limited budgetary allocations to social protection are under threat as GDP falls or stagnates, with the countries most needing an extension of social protection to support those impoverished by the crisis, being the least able to afford them.

ODI research shows that social protection responses to the ‘Triple F’ (food, fuel, financial) crisis are diverse. In some countries there are attempts to meet existing social protection commitments (for example in Kenya and Uganda). Elsewhere, countries are attempting to extend coverage significantly in response to the crisis (for example Bangladesh and Ghana). Some countries are even extending coverage despite the associated cost of wider fiscal deficit (for example, Cambodia). However, some other countries are prioritising a policy response that focuses on addressing growth and investing in fiscal stimulus, or are reducing social sector expenditure in order to promote macroeconomic sustainability (for example Indonesia and Nigeria respectively) (te Velde *et al*, 2009). The range of social protection interventions in response to the ‘Triple F’ crisis is wide, from food subsidies and rationing in Indonesia and Bangladesh, to food distributions for vulnerable groups and school feeding programme in Cambodia, Indonesia, Bangladesh, Ghana, Kenya and Nigeria. In-kind transfers offering fertiliser are found in Kenya, cash transfers in Ghana, education scholarships and subsidies in Cambodia and Ghana, and public works programmes in Cambodia, Indonesia, Bangladesh (te Velde *et al*, 2009: 29).

This illustrates how the crisis has undermined progress on the extension of social protection in some contexts, while at the same time increasing need. However, it also represents an opportunity, as shown by the HLTF and Social Floor initiatives, to reinvigorate the debate with a greater sense of urgency, promote synergies and coordination in the sector, and potentially increase donors funding availability.

3. Concepts, Approaches and Frameworks

This chapter first examines three conceptual frameworks for social protection, and locates social protection within the rural development discourse.

Conceptual Frameworks for Social Protection

There are numerous definitions, approaches and frameworks associated with social protection. While there are various definitions of social protection currently in usage (see Barrientos and Hulme (2008:3-4), two broad distinct approaches frame the debate; the World Bank's Social Risk Management (SRM) framework, which focuses narrowly on risk management (Holzmann and Jorgensen, 1999), with a primary concern with those who have fallen into poverty as the result of an external shock, and the conceptually broad 'transformative social protection' framework developed by Devereux and Sabates-Wheeler (2004) which offers an approach to social protection which is based on rights, needs and empowerment. A discussion of these two frameworks serves to illuminate the hierarchy of different social protection objectives and outcomes, which are particularly relevant to the central concern in this paper to examine the linkages between social protection, livelihoods, social transformation and rural development.

Social Risk Management Framework

During the 1990s the World Bank argued that the role of government in the provision of social protection should be limited to the implementation of social safety nets for risk coping (Devereux and Sabates-Wheeler, 2004). However, by the turn of the century the Bank's position had moved somewhat from the safety net approach to take on a wider concept of social protection (see Holzmann and Jørgensen, 2000)⁶, incorporating social protection within its Social Risk Management (SRM) Framework (World Bank, 2001). Within the SRM approach, the traditional areas of social protection (labour market intervention, social insurance and social safety nets) are included in a framework that includes three strategies to deal with risk (prevention, mitigation and coping), three levels of formality of risk management (informal, market-based, publicly-mandated) and many actors (individuals, households, communities, NGOs, governments at various levels and international organisations) against the background of asymmetric information and different types of risk. This view of social protection emphasises the double role of risk management instruments in protecting basic livelihoods as well as promoting risk taking. It focuses specifically on the poor since they are the most vulnerable to risk and typically lack appropriate risk management instruments, which constrains them from engaging in riskier but also

⁶ The World Bank policy paper on 'Social Risk Management' (SRM) has the sub-title "A New Conceptual Framework for Social Protection, and Beyond" (Holzmann & Jørgensen, 2000).

higher return activities and hence gradually moving out of chronic poverty⁷. In brief, the SRM framework sees social protection both as a “trampoline” capable of helping those who might (for whatever reason) temporarily drop out of productive activity to “bounce back”, and as a means of support to the critically vulnerable (Meth, 2008). The former of these two perspectives has been dominant, although it has been argued that;

‘in practice few poor people have been ‘trampolined’ out of poverty by the asset accumulation that the reduction of variability in income, which growth, under SRM regimes, was supposed to facilitate.’ (Meth, 2008: 36)

The World Bank argues that improved SRM is important in a *static* sense since it can contribute to reduced vulnerability; enhanced consumption smoothing; and improved equity. In a *dynamic* sense, it can enhance income and consumption smoothing; the effectiveness of informal provisions, and the cost-effectiveness of public provision.

Implementation of the SRM is expected to contribute to poverty reduction by:

- reducing transitory (consumption) poverty;
- preventing declines into deeper poverty and destitution; and
- supporting upward trajectories out of poverty through its support for entrepreneurial risk-taking.

Public (government and donor) support for SRM is justified on the grounds that it has to substitute for widespread market failure, or get markets working. This applies to several types of market:

- first, markets for insurance are highly imperfect - knowledge is often imperfect, information asymmetric, and transaction costs high - so that many types of risk are in effect uninsurable;
- second, asymmetries in information and power act as barriers to entry in other markets (for products, labour and credit, for instance);
- third, some are excluded on social, ethnic or religious grounds from markets which are *segmented*, and in other cases, the poor attempt to avoid risk by entering relations with patrons that often result in *interlocked* markets.

The poor will always face difficulties of these kinds in entering markets; the provision of new forms of social protection will not guarantee that such barriers can be broken, but may provide a platform so that some, at least, can enter new markets.

⁷ Adapted from Holzmann. and Jørgensen (2000)

The SRM's emphasis on risk tends to associate it more with shocks than stresses (such as the payment of marriage expenses). One way of meeting stresses is to draw on assets, since they are not insurable in the way that certain shocks are. Perhaps the neglect of stresses also leads the SRM to underemphasise the role that asset building can play in reducing vulnerability in the face of both shocks and stresses.

Transformative Social Protection

Devereux and Sabates-Wheeler (2004) critique the limited 'risk' orientation of the SRM, and its narrow approach, describing social protection as the attempt to promote the protection and accumulation of assets in order to reduce vulnerability and highlighting the "the positive relationship between livelihood security and enhanced autonomy or empowerment", arguing that;

'[the] key objective of social protection is to reduce the vulnerability of the poor. The full range of social protection interventions can be categorised under protective, preventive, promotive and transformative measures.' (ibid, 2004: 9)

Their definition of social protection includes all initiatives that: provide income (cash) or consumption (food) transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the excluded and marginalised. They define the vulnerability social protection is attempting to address as a function of exposure to shocks or negative processes, mediated by a household's resilience to those shocks. Devereux and Sabates-Wheeler go on to describe a hierarchy of social protection interventions consisting of three categories to which they apply the terminology *protective*, *preventive*, and *promotive* or *transformative* social protection, with the latter being the form of social protection which has the most significant and enduring impact.

The concept of "transformative" social protection, extends the traditional view of social protection which addresses economic vulnerability to encompass social vulnerability. The premise of transformative social protection is that it recognises the need for social equity as well as protection against livelihood risks.

Devereux and Sabates-Wheeler argue that while a conventional 'safety net' may provide (some) economic protection, it is not 'social protection', nor is it 'socially transformative', and their 2004 paper critiques current definitions of social protection (including the SRM framework), and in particular, emphasises the need for:

- i. problem identification to include "social risks"
- ii. problem prioritisation to encompass vulnerability associated with "being poor" and "becoming poor" - thus understanding chronic poverty and the transitional nature of poverty

- iii. social protection providers to include formal public and private providers, as well as informal mechanisms

In response the transformative social protection framework aims to address “social vulnerability” through “the delivery of social services and through measures to modify or regulate behaviour towards socially vulnerable groups” in an approach which is concerned with social justice, equity and human.

Meth summarises the three objectives of this ‘broader concept of social protection’ (broader, when compared with the minimalist or social safety net type of system envisaged by the Bank) as i) assuring minimum wellbeing through a guarantee of essential goods and services that provide protection against life contingencies for all people, ii) preventing and protecting against risks by adopting proactive strategies and policies, and iii) promoting individual and social potentials and opportunities (Meth, 2008).

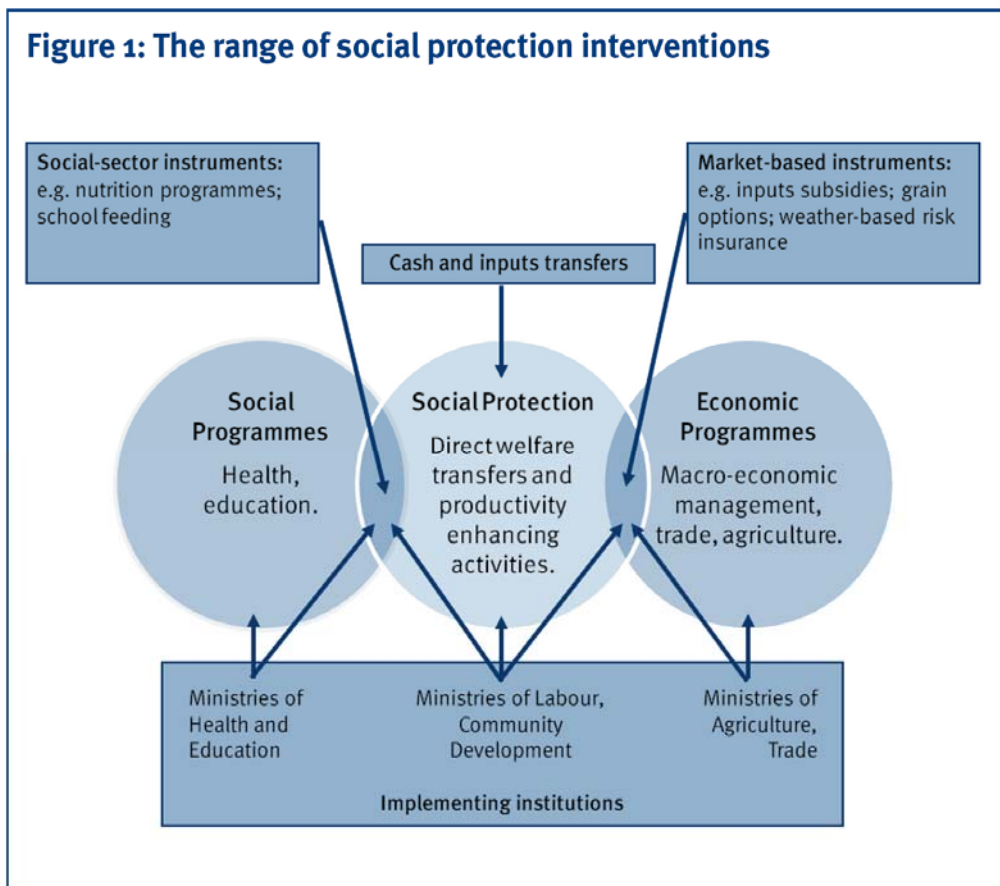
Devereux and Sabates-Wheeler’s working definition of transformative social protection is:

‘Social protection describes all public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalised; with the overall objective of reducing the economic and social vulnerability of poor, vulnerable and marginalised groups.’ (Devereux and Sabates-Wheeler., 2004: iii)

They argue that there are many overlaps and links between the protective, preventive, promotive and transformative approaches to social protection thus identifying powerful synergies between the economic and social roles performed by social protection measures (Meth, 2008).

Linking Social Protection and Agricultural Growth

Social protection can be defined more broadly still to encompass the range of socially protecting interventions and relationships, as illustrated in figure 1.



ODI runs a multi-annual programme of work on the synergies between social protection and agricultural growth. In this programme, social protection is defined as: “the public actions taken in response to levels of vulnerability, risk and deprivation which are deemed socially unacceptable within a given polity or society,” and is mandated either by the state or by organisations such as NGOs claiming to pursue the public interest, and implemented by public or private organisations. In some contexts, there are also traditional, often informal, social protection measures in place.

This framework focuses specifically on how social protection and agriculture relate to each other, including an assessment of the ways in which social protection can reduce shocks and stresses in both domestic and productive environments.

This means **preventing** the onset of shocks or stresses, **mitigating** their impact through e.g. insurances of various kinds, enhance the resilience of households and individuals, through e.g. asset-building strategies, so that they are better able to **cope** with the impacts, and, for the longer term, and **transforming** households livelihoods by addressing the vulnerabilities arising from social inequities and exclusion. This framework articulates the various ways in which social protection can relate to rural development and food security. Social protection can be **generated by** agriculture, as when, for instance, agricultural growth leads to lower and more stable food prices. Socially protecting measures can also be **for** agricultural growth, such as those intended to reduce risks associated with fluctuations in production (e.g. via insurance

against shocks caused by adverse weather), or fluctuations in price caused by market conditions (e.g. commodity price stabilisation funds), or to increase resilience through the creation of assets whether at individual levels (such as improved grain storage) or more widely (such as improved infrastructure). But the effects of social protection are not limited to the supply side: when social protection is **independent of** agriculture in its design, such as with transfers to various categories of the poor, it is likely to boost local market demand for staple products. The net effect of this on producers is likely to be positive, as it will be on consumers, unless it proves to be inflationary. Some interventions span two of these categories - public works programmes, for instance, provide wage employment which is largely independent of agriculture, but may generate assets geared in some measure for agricultural growth. The features of ODI's framework for understanding linkages between social protection, rural development and food security are summarised in Appendix 2).

Social Protection and Rural Development

The conceptual framework used in this review however, adopts a limited definition of social protection and its relationship to rural development, focusing directly on social assistance interventions, and how they relate to broader developmental processes, interventions which are located in the central circle in Figure 1. These interventions are direct welfare transfers, and exclude the interventions in the social and economic spheres which may also have a 'socially protecting' function.

These welfare transfers have the potential to address the needs of smallholder farmers who are trapped in low input - low output agriculture, who cannot afford to take risks, such as fertiliser purchase, even when this may lead to increased productivity and increased household incomes. Social protection is widely recognised as one potential mechanism for enabling households to manage risks, and can support households in three ways:

- Enabling or smoothing consumption (e.g. providing food or cash to meet basic needs)
- Preventing negative coping strategies that undermine future productive potential (e.g. providing support so that households are not forced into distress sales of productive assets); and
- Promoting asset building and increased productivity (e.g. through inputs distributions or subsidies to increase productivity, or transfers that allow investments in productive assets).

These linkages between direct welfare transfers and rural development are summarised in figure 2 below.

Each of these mechanisms has impacts on rural development and food security. Examples include the agricultural sector supply response that is triggered by increased demand resulting from cash transfers; and the productivity increases that result when households have some income security from social protection and invest in riskier but more remunerative livelihood activities. The design of social protection is important though, and programmes can potentially have negative impacts on rural development. Examples include the disruption of local staples markets through unpredictable food aid, or inflationary effects of cash transfers on local prices.

Overall, the evidence base on the linkages between different types of social protection policies, programmes and instruments remains geographical patchy and are often not joined-up with rural development and agricultural policies and programmes. These issues will be explored in more detail in the following chapter, which examines a range of different social protection instruments, and programming challenges.

4. Social Protection Instruments and their Impacts

The Composition of Social Protection

Social protection has two main components; social assistance and social insurance, which provide a minimum level of well-being, and a shield against risks, providing the ‘protective’ and ‘preventive’ components of social protection respectively (Meth, 2008:38).

Social assistance is non-contributory and offers support to extremely poor individuals and households, usually through the provision of social grants. Generally this form of social protection is means tested.

Social insurance protects people against the risks and consequences of livelihood shocks by providing benefits such as pensions, and unemployment and health insurance. This kind of social protection is contributory, and tends to have very low coverage in LICs and MICs, being largely employed-based, excluding the unemployed and those working in the informal sector. Under social insurance the benefit is paid without regard to financial circumstances.

The dominant social protection instruments found in MICs and LICs are outlined in box 2 below.

Box 2: Dominant Types of Social Protection in LICs

Social Assistance

- Cash transfers (Conditional/Unconditional), e.g. Ola Age Pensions; Child Support Grants; Grants for the Poorest/Labour Constrained/‘Incapacitated’
- In kind transfers, e.g. Food; Agricultural Inputs and Subsidies

Social Insurance

- Contributory Old Age Pension
- Contributory Unemployment Insurance
- Contributory Health Insurance

Public Works Programmes

- Short term Employment Schemes
- Employment Guarantee Programme
- Labour Intensification Schemes

This chapter will focus on social assistance and public works interventions, as social insurance programmes are extremely limited in LICs and largely focussed on those in formal employment, which in most instances represents only a small percentage of the overall population, and tends to exclude the poorest.

Social Assistance

Cash Transfers

Cash transfers (CT) are one of the dominant forms of social protection in HIC and LIC, and are popular with donors due to their relative ease of implementation, compared to other forms of social protection provision. They are increasingly popular as an alternative to food based programmes, as they enable a greater degree of recipient autonomy, in terms of household level decision making regarding the use of the transfer. In recent years this form of social protection has been extensively promoted in LIC by particular agencies including DFID, UNICEF and HelpAge International, and this type of intervention appears to be growing in popularity in sub-Saharan Africa and South Asia, although the extent to which this reflects donor or government agendas remains unclear in many contexts, and varies from country to country (McCord, 2009a).

The most common forms of cash transfer in LIC are grants to support the elderly and children, and there are also a large number of grants to support particular vulnerable groups, either those experiencing chronic vulnerability, such as the disabled, those affected by HIV/AIDS, or the ultra poor, or people during periods of acute vulnerability, as in the case of the maternity grant in Nepal. However most cash transfer programmes in LIC are extremely limited in absolute scale and coverage, resulting in highly rationed provision, with coverage being limited to specific tightly defined sub-groups of the poor, often in localised geographical locations. The duration of cash transfer receipt, and the value of the transfer is highly variable across programmes, with few programmes in LIC offering any guarantee of ongoing provision. In the case of pensions, it is often the case that either coverage is low (e.g. Bangladesh, India) and / or the size of payment is small (e.g. India, Lesotho) and / or the age at which people qualify is very high (e.g. Nepal, Lesotho). Most cash transfer programmes in LIC in Africa and Asia are unconditional.

It is frequently assumed that, because pensions and child welfare grant payments focus on non-productive household members, they do not have impacts beyond the domestic sphere, and some governments are reluctant to fund interventions which they view as essentially ‘consumption’ rather than investment expenditure for this reason. In other contexts however, there is an aspiration on the part of governments and donors that CT provision will stimulate household level ‘graduation’ out of poverty, and also contribute to meso and macro-economic growth, indicating

significant programming inconsistencies and unresolved questions relating to cash transfers and growth, at all three levels (Slater, 2009b).

There is some limited anecdotal evidence that pensions and other ago-cohort targeted grants may have some impact on the productive sphere under certain conditions. Effects include investments in income-generating activities and changing job-seeking behaviour and working hours among household members (Devereux 2001, 2002, Barrientos and Scott, 2008, Barrientos 2006, Posel *et al* 2004), but these effects are highly contingent on targeting, the value of the transfer, the duration and predictability of the transfer, and the broader economic context. The extent to which interventions such as pensions or child welfare payments can stimulate the local economy and a supply response, is not at all well understood. This points to the first of a series of critical knowledge gaps that are explored in the penultimate section.

Conditional Cash Transfers

Conditional cash transfers (see the example of Mexico in Box 1) link consumption objectives with broader health and education goals. Such programmes are popular with donors and governments as they aim to promote positive behaviour change and promote human capital acquisition. Under these programmes transfers are paid to beneficiary households as long as households adhere to certain conditions. Conditions are usually associated with pre- or post-natal healthcare attendance, or school enrolment and attendance. There are limited direct links between rural development and conditional cash transfers. In the case of food security and nutrition, there are questions about whether the size of transfer is enough to overcome the opportunity cost of remove children from family farm labour where they contribute to household production and food consumption. Across Latin America, where they are most popular, it is argued that conditions make cash transfers politically acceptable (Handa and Davies, 2006).

While conditional cash transfer (CCT) programmes are common in Latin America, they are rare in Africa and Asia, and mostly found in relation to donor pilot programmes designed to assess feasibility. The ability of governments to supply the programmes for which CCT stimulate demand is a key constraint to the widespread implementation of conditional programmes in Africa, and the significant additional cost implied by commensurate increases in service provision makes large scale adoption of CCT in Africa unlikely. Furthermore the cost, data and human resource implications of implementing and verifying conditionalities also render it problematic in resource constrained LIC environments.

There is strong evidence that human capital assets (e.g. education and health skills) are enhanced through conditional cash transfers, but it is not clear whether these impacts can be attributed to the conditions themselves, or whether they would have happened if cash was transferred without conditions. Such programmes are also

subject to criticism on ideological grounds for being paternalistic in nature, in terms of directing the expenditure of recipients rather than allowing them autonomy in the choice of expenditure.

Box 3: Case Study on Conditional Cash Transfers

Human capital development: Oportunidades, Mexico

Mexico's cash transfer programme, Oportunidades, provides income transfers to five million households, conditional on children's school attendance and families' regular visits to health care centres. Oportunidades has proved to be an effective social protection tool in terms of improving human capital capacities in poor households. It has done this through improved school enrolment rates at both primary and secondary levels, especially for girls, improved nutrition, and reduction in the incidence of illness among children under five. Whilst the programme focuses on breaking the intergenerational incidence of poverty, there is scope for improving its design to maximise synergies with productive activities at the household level, and to maximise the impact of transfers on local economic development (Handa and Davies 2006).

Source: Farrington *et al*, 2008

Lump Sum Cash Transfers

In some instances lump sum cash transfers are provided in place of small, regular transfers. Such transfers have two advantages,

'one is the ease of "single shot" administration; the other is that they permit a rapid boost to livelihoods either in post-emergency or in developmental contexts, where, for instance, large assets such as a house, fishing boat, or livestock are to be acquired or replaced' (Farrington 2009)

The drawback of such transfers is the fact that households may have little experience of handling such large amounts of money, and they may be prone to dissipation as a consequence of the need to meet immediate consumption needs, prior to the benefits of the lump sum investment coming on stream. These transfers are particularly effective in post-emergency contexts, Farrington argues,

'especially where beneficiaries were familiar with the assets that had to be replaced (fishing boats, livestock etc) and markets continued to function'. (Farrington, 2009)

Box 4: Case Study on Lump Sum Cash Transfers

Asset building: Chars Livelihoods Programme (CLP), Bangladesh

The CLP will provide the one-time transfer of investment capital, accompanied by a package of other social and market development inputs, to the 50,000 poorest households living on island chars (areas of new land formed through soil erosion and deposition). To achieve significant and sustainable incomes, around £100 of investment capital, with further training and support worth £100 per household, are deemed necessary. From the different choices offered to households in early 2006, the 'fixed package' of 1 heifer, 4 goats and 10 chickens per household proved least successful, with many of the animals dying or being sold. A flexible asset package proved more successful, as did one in which new assets were accompanied by livestock services (de-worming, vaccinations) plus a stipend of approx £2.20 per month over 18 months, which removed the need to sell assets in order to meet regular needs.

In-kind Transfers

Food and in kind transfers have long been provided as a form of social protection, to enhance consumption and production, with food primarily being offered in humanitarian contexts where domestic production or markets have been disrupted, particularly since the 1950s.

Farrington suggests that:

*'Debates concerning the **form** of transfer have focused on whether they should be in cash or in kind. Cash allows recipients to acquire the goods or services they need – preferences will vary among households and individuals – and cash lends itself to automated transfer where electronic technology is in place. It is likely to be less costly to transfer than goods. On the other hand, it may be more prone to various kinds of diversion than in-kind transfers, and the "quality" of spending may vary by gender, with women more likely to spend on children's and household needs than men'* (Farrington, 2009)

For the reasons outlined above, as part of the revised response to chronic poverty in recent years, there have been moves away from food to cash in many 'emergency' contexts, including Ethiopia, under the PSNP. This has coincided with the food price crisis and a reduction in tonnages available to the WFP for distribution.

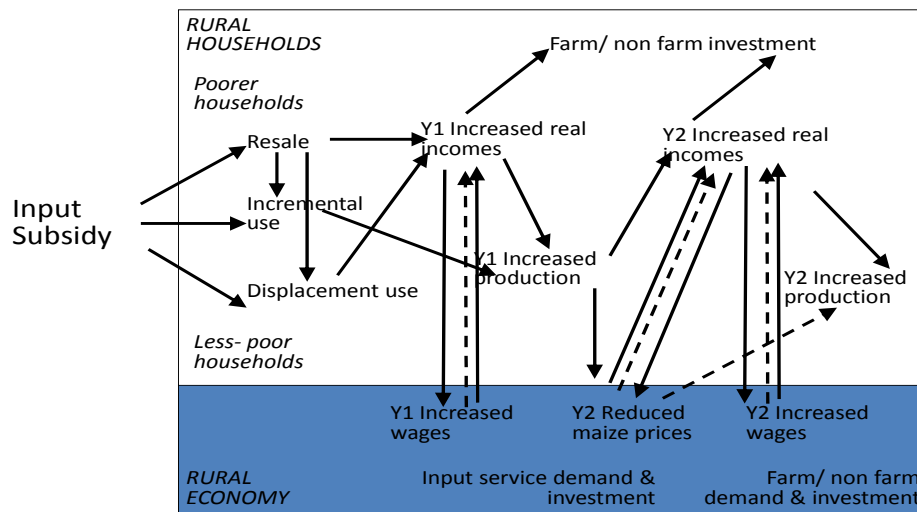
Simultaneously there has been increased use of the distribution of in kind inputs to stimulate production, and a re-emergence of agricultural subsidy programmes. Dorward *et al* (2008a) argue that:

'The recent spike in international food and fertilizer prices has underlined the vulnerability of poor urban and rural households in many developing countries,

especially in Africa. The combination of factors that resulted in this spike has renewed policymakers' focus on the need to increase staple food crop productivity. While the pros and cons of input subsidies have been hotly debated over the past decade, input subsidies are being introduced (or re-introduced) in several countries as a means to shore up food security in the short-term while also implementing longer-term investments to raise productivity. With fertilizer prices likely to remain high in the short to medium term, such subsidies will inevitably imply a high budgetary burden. The challenge is to design so-called "smart" input subsidy programmes that have a significant impact on the availability of food in the short run while stimulating growth and rural development and increasing (or at least not suppressing) effective demand for and commercial distribution of inputs in the long run' (Dorward et al 2008a: 1).

The extent to which targeted inputs subsidies can address triple objectives of social protection, food security and rural development is highlighted in the Malawi experience. Smallholder farmers in Malawi tend to be net consumers of food and are dependent on *ganyu* (casual agricultural labour) to earn cash to buy food. They tend to be trapped in low input - low output agriculture because fertiliser markets do not function well and investing in fertiliser is risky. However, the experience of input subsidies from 2005-6 and 2006-7 suggests that, under the right conditions, inputs subsidies can help households break out of that low input - low output trap, see figure 3. When households use fertiliser and increase their yields, the price of maize falls because of the increase in supply - this is good for the smallholders who are net consumers and so benefit from low prices. At the same time, there is increased demand for and reduced supply of *ganyu* labour, so the wage rates increase. This again is good for the smallholders who are most likely to seek *ganyu* employment. This is indicative of the way interventions can be designed to support particular sections of the population, in this case smallholder farmers.

Figure 3: Malawi Subsidy impacts – household & market over time



Source: Dorward *et al* 2008b

Public Works Programmes

Public works programmes are a popular social protection instrument, particularly in contexts where there is an ideological preference for avoiding cash transfers to the working age poor, in many Asian and African LICs, and form a central component of many Social Funds, examples being the Malawi and Tanzania Social Funds, both of which have major public works components which are the primary safety net for those of working age. They represent a hybrid form of instrument, which is part social protection and part labour market policy. There are many diverse forms of Public Works programmes, with the three most common in LICs being i) large scale programmes guaranteeing employment to all who seek it, ii) those offering short term one off periods of employment as a form of emergency support, and iii) those attempting to increase the labour intensity of ongoing government spending, to increase aggregate employment, which have less of a social protection, and more of a macro-labour market orientation.

Public works programmes are frequently associated with rural development and food security since they entail the simultaneous objectives of promoting direct consumption (i.e. providing cash or food transfers to enable consumption) and the creation of productive assets. McCord (2008b) and McCord and Farrington (2008) review different types of social protection programmes that incorporate works requirements and question how far they meet wider rural development objectives. They find that:

- Evidence remains limited on whether the assets created by either short or long-term public works programmes (PWPs) help in the reduction of chronic poverty remains limited. More and better evidence is urgently needed.
- Even for longer-term public works (LTPW), to create productive assets is costly in terms of technical design, supervision, materials and equipment;
- It is often anticipated that skills development and capital or material accumulation resulting from wage inputs will complement the asset creating function of the PWP to promote livelihoods and ‘graduation’. However, there is little evidence of the sustained effect of any of these three presumed impacts on livelihoods promotion in either Africa or Asia.
- The types of impact achieved by PWP are therefore often limited to smoothing income or consumption during the period of employment, and given the additional costs associated with PWP implementation, PWP may not be as cost-effective as other measures seeking these types of limited impact.

(McCord and Farrington 2008: 1).

Notwithstanding these limitations, public works programmes are politically popular, and are funded by both donors and governments. However, with the exception of the Indian National Rural Employment Guarantee Act (Box 5), and programmes following this model in Nepal and Bangladesh, public works programmes are frequently funded on a relatively *ad hoc* basis with limited duration of employment for beneficiaries and usually only provide a limited safety net against seasonal or periodic hunger.

Box 5: Case Study on Public Works (Employment Guarantee Type)

Indian National Rural Employment Guarantee Act (NREGA)

With a 2006–07 budget of some £1bn - equivalent to 0.3% of GDP - allocated under the umbrella of the Indian National Rural Employment Guarantee Act (NREGA) this is probably the largest rights-based social protection initiative in the world. When fully fledged, it will cost around four times this amount and cover some 450,000 households. NREGA provides for up to 100 days of work to each household falling below the poverty line. NREGA has the potential to bridge social protection and growth, by creating or rehabilitating growth-related assets useful to the poor. However, early evidence suggests only limited awareness among the poor of their 'right to work' (especially in more remote tribal areas), and a focus on a standardised set of assets, with little consideration for local relevance. Two further difficulties from the growth perspective are that NREGA does not provide skills enhancement and does not, therefore, strengthen human capital. In addition, by taking (state sponsored) work to the people, it may discourage them from moving to more economically dynamic areas. There is little evidence of new, more honest, practices among local bureaucrats to deliver NREGA, and allegations of demands for bribes in order to issue job cards are numerous

Source: Sjoblom and Farrington, 2008

There is little empirical data on the impact of public works programmes on poverty, outside India. While an Employment Guarantee Scheme, such as NREGA, can offer guaranteed income on a repeated basis to a significant percentage of those seeking it, most programmes offer only short term assistance. While this is valid if it is implemented in response to a temporary labour market disruption, such as a natural disaster, or economic crisis, this approach is largely ineffectual in response to chronic poverty (McCord, 2004). While the World Bank recognises the limitation of short term public works employment, and that this instrument is most effective in the context of chronic poverty, such programmes continue to be implemented throughout sub Saharan Africa, with support from the major donors and have a significant role in terms of the provision of social protection. McCord (2008a) argues that this is largely due to ideological preferences on the part of donors and governments, and the reluctance to provide cash transfers to the working age poor, lest this engenders 'dependency'.

Where targeted to the poor, and designed to offer repeated or ongoing employment such programmes can significantly reduce the depth of income and other forms of poverty, and promote human capital as well as economic accumulation, as in the case of the Zibambele programme in South Africa. However, most programmes in sub-Saharan Africa offer only a single episode of employment, for an average of 4 months, and with a wage which is at or below the prevailing wage (McCord, 2009c). In this context, the social protection impact is trivial in many cases. Often, due to limits to the budgetary allocation to capital inputs, and limited design capability, the assets created are inferior to those created using other approaches, and so the

anticipated physical infrastructure benefits are also less than anticipated. Furthermore the scale of employment in public works programmes tends to be extremely limited in relation to the scale of poverty among the working age poor, and so the exclusion error in social protection systems in which public works play a key role tends to be massive in LICs (the national programme in South Africa employs less than 4% of the unemployed).

Conclusion

The main core social protection interventions currently in vogue in LICs in Africa and Asia are cash transfer programmes and public works. Agricultural inputs and subsidies are seeing a renaissance in the wake of the triple F crisis, in the light of concerns to increase domestic production to safeguard the poorest from future food shocks, and the desire on the part of donors to move away from repeated emergency interventions. In kind food distributions are currently less popular, due to their perceived paternalistic nature, the attempt to move to more developmental forms of social protection, together with the global grain price hikes and limited availability. Whereas conditionality is central to cash transfer programming in Latin America, it is less common in LICs in Africa and Asia, largely due to the negative cost implications of managing and policing such a system, and the associated improvements in service provision, which large scale implementation requires.

5. Social Protection Design and Delivery

This chapter first outlines four key debates currently informing social protection programming; targeting, graduation, dependency and fiscal prudence, and then examines the social protection instrument design features which are key determinants of programme outcomes, in terms of i) livelihoods, ii) social transformation and iii) rural development. Finally the question of institutional context is briefly discussed.

Key Debates Informing Social Protection Design

Targeting

LICs face a binding constraint in terms of the limited resources available for the provision of social protection, and hence there is a need to target resources carefully, with universal transfer programmes being unaffordable in most if not all LIC contexts. The current targeting debate is largely dominated by concerns to restrict errors of inclusion - the inclusion of those who should not be eligible, but in fact a far greater concern is the massive exclusion errors in many social protection interventions in LICs, i.e. the level of exclusion of the poor and eligible from programme participation due to the small scale of programme implementation.

A range of social categorical and geographical criteria are widely used to target social assistance, however, such approaches are problematic, as outlined by Slater:

'The use of social categorical and geographical approaches to reduce targeting costs introduces a significant trade-off between maximising the number of poor people that are included in programmes, and minimising the number of non-poor people that are included. This is a challenge for both design and implementation. In the case of social categorical targeting, there is a risk that some people belonging to this group may not be poor. Evidence from Ghana suggests, other indicators which are less directly linked to social groups, such as the physical state of shelter (mud walls, mud floors) or the number of years of education of the households head may offer the best proxy indicators of poverty in terms of reducing the trade-off between cost and poverty impacts. The implication is, for demographic or geographical approaches to be effective, there must be robust empirical evidence they correlate well (or at least better than other indicators) with poverty.' (Slater, 2009a)

The practice of targeting the bottom 10% of the population, an approach which is increasingly popular in southern Africa (for example in donor supported cash transfer programmes in Zambia and Malawi) is also highly problematic, in that it does not take into account the extend of needs in any particular national or local contest, and can result in a nationally inequitable distribution of resources. This approach also fails to take account that in many LICs, there may be only marginal differences in income in

the bottom six quintiles. In this context the legitimacy of supporting those in the bottom decile, while excluding those in the second, third or fourth is not clear (Ellis, 2008). An associated practice of targeting households without access to labour is similarly problematic, as in many instances, households including the unemployed or underemployed, or those employed and earning low wages (the adversely incorporated (Woods, 1999), may be as poor and in need of support as households without labour (McCord, 2009a). Both practices are common, but inadequately based on empirical evidence.

Graduation

The concept of graduation, which is at the heart of the Dutch government's aspirations in terms of social protection (Government of Netherlands, 2009) is also highly contested, and only loosely based on empirical evidence. In part it is an attempt to diffuse concerns that social protection expenditure does not represent 'consumption', but may be linked to both micro, meso and macro level growth outcomes, and a desire to present social protection interventions as offering the 'transformation' of participants, rather than an ongoing form of support which will be required until the structural location of the poor within the economy shifts. The aspiration of graduation is problematised by Slater;

'Despite their limited coverage and, usually, small individual amount, cash transfer programmes continue to be ambitious in their stated objectives, with many claiming that they are likely to result in graduation (however defined) at a household level, and growth on a local and national level. While some cash transfers, particularly of small, regular amounts targeted at children or the elderly, do not necessarily anticipate graduation, in many instances where cash transfers are provided to other groups, graduation and growth expectations are explicitly made by donors. The concerns of donors and governments about dependency and affordability make some donors particularly keen to demonstrate the positive impacts of cash transfers on both graduation and growth without making clear the likely constraints. The inherent tension between the emerging practice of targeting the non-productive, while simultaneously anticipating that cash transfer receipt will lead to graduation, has not been adequately investigated within the research community, nor recognised adequately among policy makers and donors.' (Slater, 2009b)

Dependency

Debates about both targeting and also graduation are linked to the two concerns which dominate the social protection debate, particularly in LICs in Africa; i) dependency and ii) fiscal prudence, or more particularly the contingent fiscal liabilities implied by large scale ongoing social protection programmes. These concerns are frequently articulated in relation to the development of social protection systems, and have a

significant impact in terms of restricting the roll out of social protection programmes on a large scale in LICs.

Concerns about labour market distortion (workers removing themselves from the labour market in favour of grant receipt) in general and dependency in particular have rendered governments keen to restrict the scale of cash transfer provision, and to exclude the working age poor from cash transfer receipt, focusing for example on households with vulnerable children (Malawi and Kenya), the poor with limited labour (Zambia), or the elderly (Kenya), and arguing that the able bodied should participate in public works programmes, irrespective of the size or adequacy of public works programmes provided, or the extent of local unemployment. (McCord, 2009a). The implications for the concept of the deserving poor are outlined by McCord;

'This has led to a reworking of the concept of the 'deserving poor' in recent years, based on the assumption that available labour has the potential to be used to generate income, irrespective of the reality of the labour market context. Underlying this position is an assumption that labour markets function adequately, with sufficiently remunerated employment available for all those seeking it. It does not take into account the chronic levels of unemployment, underemployment and the existence of the working poor, who are engaged in the labour market, but receive an income which keeps them in poverty (Wood, 1999), situations which are prevalent in most low income countries, and which serve to limit the actual, rather than potential, productive capacity of household labour. Despite this reality, labour availability is used explicitly as a criterion for exclusion from cash transfer programme participation in many cases (for example in Malawi and Zambia).' (McCord, 2009a:2)

Fiscal Prudence

Many LIC governments are reluctant to make significant commitments to social protection provision, either in terms of legislation or fiscal allocations, as they are concerned about the fiscal liabilities this would imply (examples from a recent study being Zambia and Malawi (McCord, 2009b)). Given their limited domestically available resources and the difficulties faced by many governments in terms of meeting core commitments to basic service provision, there is a reluctance to reallocate budgets away from current spending to the provision of social protection. Hence while the ILO argues that social protection is in principal affordable, in practice, this may not be the case, even if external donor resources are used, particularly given the unpredictability of donor aid flows.

A recent study of cash transfer financing in three low income countries in Africa (Malawi, Zambia and Kenya) found that the continuation of all but one of the cash transfer programmes currently being implemented was contingent on ongoing donor support (McCord, 2009b). McCord went on to argue that,

'Cash transfer programme 'sustainability' is wholly contingent on ongoing donor allocation, as large scale programmes would not be possible if funded exclusively from a domestic resource base in any of the three case study countries, and even the small scale of cash transfer programming currently implemented would not be feasible without donors covering the majority of programme costs. Cash transfer provision in Malawi and Zambia is 'affordable' and 'sustainable' only as long as donor support continues, and any extension of provision is wholly contingent on increased donor allocations. Even in Kenya, where there is a greater degree of concern regarding domestic funding of cash transfers to ensure predictability of financing flows, increased reliance on external resources has been necessitated by the negative fiscal impact of the global financial crisis' (ibid:7)

Hence, large scale social protection provision from domestic resources is not a possibility in all LICs, and for ongoing implementation, significant ongoing donor financing will be necessary in many cases, given binding domestic resources constraints, particularly in the context of the current crisis. It is important to note that the extent to which a programme can be considered 'sustainable', if largely dependent on external donor resources, is open to question.

Design Factors Influencing Social Protection Impact on Poverty, Graduation and Local Economic Development

It is not possible to conclude that any particular form of intervention is inherently superior to another in terms of either cost-effectiveness or impact. The critical determinants of programme success are common across all types of social protection; effective targeting, the value of the transfer, the duration of the transfer in relation to the nature of poverty being addressed (acute or chronic), the predictability of the transfer, the scale of coverage, and the extent to which the social protection programme is integrated with other developmental interventions. Together these six design factors will influence the outcome of the intervention and the extent to which only protective, or transformative outcomes ensue, at both household and community levels.

Targeting

Targeting is an essential part of programme design, in terms of rationing access and ensuring resources reach those most in need. Budgetary constraints and concerns regarding labour market distortion tend to result in the rejection of universal programmes in LICs, and the provision of social protection on the basis of a range of categorical criteria, in combination with means testing. However, targeting is costly, in monetary terms and also in terms of the data it requires, and the human resources needed to administer it. For this reason, most programmes adopt pragmatic approaches, using proxies for poverty, which are more or less adequate in terms of targeting resources to the poorest, (Slater and Farrington (2009) and Stewart and Handa (2008)).

While correct targeting can maximise the impact of social protection interventions in terms of poverty reduction, it may not necessarily also maximise graduation - as targeting those further below the poverty line who are less able to 'graduate' may address satisfy concerns to reach the poorest, but not those relating to graduation. This tension and the resulting trade off, is often not explicitly recognised in the programming discourse.

Value of the transfer

The value of transfers under social protection programmes in LIC and MIC in relation to household income varies significantly. The value of the transfer is central to the outcome a programme is likely to have, with a very small transfer value likely to result in limited changes in household accumulation patterns, even if improvements in consumption are found, with a threshold of income being required before recipients start to accumulate and invest (the critical steps towards graduation). (Devereux 2002, Carter, 2004). A range of different factors influence the transfer level in social protection programmes. In some instances the value is determined by binding fiscal constraints, in others it is determined with reference to the prevailing wage, in order to address potential labour market distortion (irrespective of whether the prevailing wage in a segmented labour market is a living wage), and sometimes the key factor is based on donor preferences, such as the importation of norms from successful Latin American programmes (10-30% of the poverty line), irrespective of the local or national poverty profile. Where payment is guided by the WPF, the transfer tends to aim to provide adequate nutrition for the family of the recipient, but in other cases, concerns about labour market disruption lead to transfers which are below subsistence level, (Chirwa et al, 2004).

If graduation out of poverty is the desired outcome, then accumulation is needed, but even a transfer which leaves beneficiaries under the poverty line can have a significant impact on social transformation, as evidenced by the public works beneficiaries in South Africa who felt that they had regained their dignity, having lost

the stigma of being beggars in their community, and being able to participate again in important social ceremonies, representing an outcome which indicates social transformation, in the absence of formal economic transformation, see box 6 (McCord 2009d).

Box 6: Case Study on Social Transformation through Public Works Employment

Zimbabwe Programme, South Africa

Participants reported that prior to participation in the programmes they had engaged in activities of which they were ashamed, such as begging for food, sending children to school hungry, and wearing ragged clothes[...] In the Zimbabwe focus groups, women reported that their poverty had prevented them from participation in social processes, such as activities which represented an expression of their belief systems, including performing appropriate burials, making spirit offerings, and holding the ceremonies required to mark the anniversary of family deaths. The consequence of the failure to observe these customs was social stigma and shame, conforming to the social dimension of poverty characterised by Sen in terms of social 'functioning'. Sen defines this class of functionings as 'achieving self-respect or being socially integrated' (Sen, 1993: 31), and argues that it is of greater complexity than elementary functioning, such as being adequately nourished or in good health. Subsequent to their PWP employment, the workers reported giving food to the needy in their communities, which they regarded as an illustration of their changed social as well as economic status within the community.

(McCord, 2009d: 315)

Duration of transfer receipt

The duration of transfer receipt is critical as a determinant of accumulation, and also of how funds are spent. A regular guaranteed income through public works or cash grants can enable a household to plan and budget in a more productive way, than would have been possibly in an environment of income uncertainty. In a situation of chronic poverty, if the transfer level is low, an ongoing transfer can still make a significant difference in terms of household nutrition, and possibly also human capital development, such as school participation, (McCord, 2004) whereas a transfer over a short term period is unlikely to have similar results, and is likely to be more of an income shock, rather than confer any meaningful social protection benefits. The evidence suggests that in the case of most social protection transfers, the benefit is primarily felt during the period of the transfer, so the longer the transfer, the longer benefits are enjoyed by participants, and a short period of transfer only confers short term benefits, unless the temporary period of transfer results in 'graduation'.

Research from India suggests that the ongoing nature of social protection income is as important as the amount of income, in terms of promoting developmental outcomes at household level (Dev, 1995).

Similarly, rural economic development initiatives resulting from transfer receipt tend to terminate at the point at which the transfer period ends, as in the case of the small shops which sprang up around a short term public works programme in Limpopo, South Africa, and which closed as soon as the programme ended (McCord, 2004).

Transfer reliability

The reliability and predictability of transfer receipt enables participants to plan, borrow, and use their funds most productively. Late or unpredictable payments can result in risk and exposure (in terms of loans) and further impoverishment for beneficiaries.

Scale of coverage

The scale of coverage is critical in terms of determining the local, and even national economic growth impact of a social protection intervention. Only if a critical mass of resources are circulating in a local economy (for a sustained period), is there the potential for this to stimulate significant rural development. Where coverage is low and the total size of the cash injection represented by the transfer is low in relation to the size of the local or national economy then the impact is likely to be so limited as to be statistically insignificant. Even in South Africa, where over 25% of the population are in receipt of grants, the impact on the national economy is not possible to discern. This is an area where little empirical work has been done, particularly in sub-Saharan Africa.

Integration with other developmental programmes

The final factor is the need for policy coordination and integration at local level, so that social protection, and other social, economic and agricultural policies can complement each other, a key finding in recent ODI research work, examining the role of social protection work in promoting livelihoods and growth (Slater, ref). Without policy and implementation integration, opportunities for household and local level transformation are limited, as social protection cannot catalyse such radical change within a household or community in the absence of complementary policies promoting rural development.

Institutional Capacity

Even where the six key programme design considerations outlined above are addressed, institutional capacity represents a significant barrier to successful programme implementation in many LIC contexts. Developing countries are constrained in delivering social protection because of limited fiscal space. Very few developing countries have the financial and institutional capacity to implement social protection at the coverage and transfer levels that are required in order to have the

desired impact on households' capacities to take and manage risk. Developing countries also face significant human resource capacity constraints. Ministries with responsibility for social protection tend to be weak and under-resourced, and when programme design entails the devolution of many of the functions of social protection implementation to local or districts levels, local officials (and communities) often struggle to absorb the additional demands on their time and budgets which programme implementation entails, as in the case of Sierra Leone (Holmes and Upadhy, 2009).

Implications for Social Protection Programming

In the face of these challenges, two major implications emerge:

First, social protection programmes often have lofty, and unrealistic, objectives. Social protection programmes are expected to achieve national and household level food secure, build household assets, build community assets, increasing productivity, strengthen infrastructure, etc, etc. These expectations are out of all proportion with the coverage of programmes and the size of benefits that they tend to transfer. It is important to remember that social protection instruments are often simple and the expectations should be similarly simple, otherwise we are setting up social protection programmes to fail.

Second, and linked to the first implication, many governments are reluctant to make social protection a sizeable recurrent budget item. This results in strong pressure to demonstrate that households will 'graduate' from social protection into independent and sustainable livelihoods. Again, the likelihood of this happening at scale given low coverage and small benefits is limited. There are two outcomes of this: either governments target social protection to those who are not necessarily the poorest, but those who are most likely to graduate (for example in the first year of Ethiopia's Productive Safety Net Programme, households with the greatest likelihood of graduating were targeted for inclusion in the programme, Sharp *et al* 2006, Slater *et al* 2006, Devereux *et al* 2008). Otherwise, governments accept that social protection is a recurrent budget item, but limit programme coverage and benefits to keep costs even lower.

There are lessons from these implications. Particularly important is evidence from social protection programmes, in particular cash transfer programmes, that clearly shows that social protection alone will not lead to 'graduation' but that other complementary programming is required. Examples include market interventions to ensure that cash transfers do not lead to rising prices in food markets (see for example Kebede 2006 on Ethiopia). There are also lessons emerging about how different sectors of government might work together to deliver social protection successfully. Whilst Farrington *et al* (2008) are very cautious about the interlinkages between different parts of government:

Any expectation that ministries of agriculture and of social development will work closely together may be based on unrealistic expectations of 'joined up' government. However, ministries of finance, through their leverage on departmental budgets, can exert positive influence on collaboration. For international agencies, aid frameworks agreed with finance ministries can leverage in the same direction, possibly through Poverty Reduction Strategies. At the same time care has to be taken to ensure that sectoral support, through, for example, Sector Wide Approaches (SWAs), does not take a narrow view that impedes cross-departmental collaboration (ibid: 4).

There are good examples of coordination from certain countries - in particular Malawi, where a central social protection unit works cross-sectorally across government (Slater and Tsoka, 2007) but institutional arrangements remain challenging, particularly where departments compete for resources, or have very different views about what social protection is for and what it should seek to deliver.

6. Knowledge Gaps and Unresolved Questions Relating to Social Protection and Rural Development

The discussion in the previous five chapters has revealed a series of knowledge gaps relating to social protection in general, and the three issues relating to Track 5 of the memorandum in particular. As social protection programming has increased in developing countries, so have the lessons generated from programming experience, but a series of critical questions remain, and the methodological toolbox that is available for assessing the impacts, costs and effectiveness of social protection programmes continues to be lacking. Knowledge about the mechanisms through which social protection interventions can address livelihoods, transformation and rural development is limited, and the evidence of the impact of interventions on each of these three areas is patchy and sometimes contradictory.

Can social protection simultaneously address social exclusion and stimulate economic development?

Whilst knowledge about household effects is relatively strong (though often difficult to compare across different programmes or countries), understanding of market level impacts is very limited. Examples of strong work include Kebede's (2006) analysis of market implications of the switch from food to cash transfers in Ethiopia, and analysis of the multipliers and linkages associated with emergency cash programmes in Malawi (ref). However, beyond local market effects, much less is known about the macro-level impacts. Difficult questions remain about the extent to which, when linking rural development objectives with social protection, social protection can both support the poor who are structurally excluded, and at the same time stimulate economic development. It may be that there are trade-offs between a rights based approach to address poverty, based on a social compact and focusing on the most needy, and local economic growth objectives, in terms of programme design and focus.

Is there a tension between targeting the poorest and the likelihood of graduation?

Equally, the greatest impacts on poverty are likely to be achieved when targeting the very poorest households, but these may be households for whom 'graduation' is least likely, and who may remain dependent on transfers for their survival. Further research is needed in this area, which is currently largely informed by assumptions rather than empirical research. The tension inherent in aiming to reduce the poverty gap at a household level, and also promote graduation and enforce programme exit is an area where more research is needed, as currently the concept of graduation itself is problematic and inconsistently conceptualised (Slater, 2009b) and the term 'exit strategies' is widely used without clear definition. Essentially, this highlights a

broader problem relating to the lack of evidence on the impact of social protection interventions in the medium term, particularly in LICs.

How affordable are social protection programmes?

Despite the lack of attention it currently receives, the issue of affordability is not yet resolved. While in principle programmes may be ‘affordable’ on the basis put forward by the ILO (2008) the definition of affordable, and questions such as, affordable by whom, over what period, what level of provision would an ‘affordable’ allocation provide, and to what percentage of the population, remain open. Also the extent to which either national governments or donors are willing (or able) to agree to the fiscal liabilities implied by the significant levels of social protection provision anticipated in much of the international discourse, remains opaque. Recent case study evidence on the reality of LIC governments’ budgetary commitments to cash transfer programming, suggests that even within the AU, a rhetorical commitment to social protection provision may not in all cases be translated into commensurate levels of policy development or domestic resource allocations (McCord, 2009b).

What do different forms of social protection cost?

Linked to the previous issue, is the current lack of insight into the relative cost of different forms of social protection. There are serious methodological challenges associated with assessing the costs and benefits of public works programmes in particular and of social protection programmes more generally. This is a particular problem in relation to public works programming, where there are no conventions to govern how the real cost is calculated, or to how the economic impact of infrastructure created is evaluated, and offset against the cost (McCord, 2009c). Similar methodological challenges occur when attempts are made to assess the costs of programmes offering in-kind transfers such as food. This renders any cost effectiveness comparison either within, or between different social protection interventions highly problematic (White and McCord, 2006), and undermines prospects for evidence based policy selection. There is a need for further empirical work in this area, overseen and owned by a range of agencies.

Is it appropriate to exclude those with labour from certain forms of social protection?

In countries facing severe resource constraints that result in the need to ration social protection provision, there is often a focus on reaching the poorest (often the bottom ‘10%’), and it is frequently assumed that the poorest households are so because they have no labour or other assets and so are without any means to generate a livelihood. Households that have some labour are, by implicit extension, therefore assumed to be less deserving of support. Ellis (2008) has challenged the notion that labour-constrained households are poorer than those with some labour, and the notion that

not having adequate labour is the key driver of poverty in three countries in Africa (Ethiopia, Malawi, Uganda). Clarifying and communicating findings on this issue is critical, as current practice throughout Africa and Asia tends towards the exclusion of the working age poor from cash transfer receipt. In the absence of large scale public works provision this results in the exclusion of this group from social protection altogether.

The absence of agreed empirical work on this issue represents a critical knowledge gap in terms of social protection programme design and implementation, which is currently filled using rules of thumb and ideologically driven preferences.

7. Conclusions and recommendations for a joint initiative on social protection

Conclusions

As social protection programming has increased in developing countries in recent decades, a number of lessons have been generated from programming experience which can inform discussion on the linkages between social protection and livelihoods, transformation and rural development.

The preceding chapters have provided a sweep through the history of social protection in LICs, an overview of current practice, the range of instruments available, and a brief discussion of the key conceptual and empirical debates and questions currently live in the discourse.

Key conclusions from the report are;

- Current social protection provision is extremely limited and coverage is low and inequitable, especially in LICs
- Different social protection instruments have different impacts - some direct, some indirect - on graduation, transformation and rural development
- Programme design and implementation are as important as which particular instrument is selected, in terms of impact on poverty
- The impacts of social protection are understood at the household level, but the methodological toolbox for understanding meso and macro-level impacts is limited
- Criteria for social protection eligibility are poorly conceptualised and disparate
- Targeting on the basis of the poorest 10% or households without adequate labour is inequitable and not empirically justified
- Targeting the poorest may not maximise rural development outcomes
- Social protection will not always lead to graduation and may be required on an ongoing basis
- Identifying funding for social protection provision on a sustainable basis remains a challenge
- A government commitment to processes such as Livingstone, may not necessarily result in significant budgetary reallocation, or plans for domestic financing of provision
- Complementary programming in the rural development sector is important if social protection programmes are to achieve their potential ...
- ... but there is a need to be realistic about expectations of what social protection can achieve
- Social protection programmes addressing poverty may not necessarily result in graduation, transformation or rural development

Recommendations

A joint initiative provides an appropriate basis from which to explore the different needs of poor people and the types of social protection that will be most appropriate for them and, simultaneously, maximise impacts on rural development and food security.

In terms of the objectives of track 5, it may be useful to consider recommendations against each objective in turn.

Addressing livelihoods and poverty

Here, a key concern is to promote the international understanding of the *impact* of different forms of social protection interventions on poverty, and the extent to which these interventions result in accumulation and livelihoods promotion, if at all.

Graduation

With reference to graduation a key recommendation is to stimulate a review of the extent to which social protection can and does result in *graduation*, for whom and under what conditions, and whether the two objectives, of social protection and graduation should be delinked in the social protection discourse. This is based on a concern that the desire for simultaneous poverty reduction *and* graduation may be based more on an ideological distaste for ‘dependency’ and fiscal concerns, than the fact that the two objectives may in fact be addressed through a single instrument.

Rural development

Similarly, in the international discourse there is a desire to see social protection resulting in rural development, but there is a need for a more rigorous generation and analysis of empirical data to assess to what extent this occurs, and under what conditions this is a realistic aspiration. Programme size, duration and transfer value will have a major influence on the likely outcome, and whether programmes of a requisite size to have a significant impact would be affordable is an issue worth of further analysis.

General Recommendations

Donor harmonisation

In the light of the Netherlands government role as a donor, it may also be appropriate for the coalition of Dutch agencies’ social protection research agenda to *review donor practices*, and the extent of adherence to the Paris Principles of donor coordination, in this field, which is currently largely characterised by considerable unilateralism.

To this end, support for initiatives arising from the coordination component of the social floor initiatives might be appropriate.

Cost and affordability

Finally, the cost and affordability of social protection provision are by no means resolved issues, nor the associated question of financing sustainability. Without resolution of these key issues, prospects for the extension of social protection programming on any significant scale in LICs are poor, and this remains a critical area for further research.

Appendix 1: The Five Tracks of the Dutch Ministry of Foreign Affairs and the Ministry of Agriculture, Nature and Food Quality memorandum on “*Agriculture, rural economic development and food security (May 2008)*).

- Track 1. **Improving productivity:** research and locally applicable innovations will continue to be needed to boost productivity in developing countries, particularly in Africa, so that farmers and smallholders, both men and women, are able to respond to growing demand by raising their production. Specific target groups are small farmers with limited access to land, who must be given the chance to benefit from innovations that can boost their productivity.
- Track 2. **Enabling environment:** the private sector must take the lead in this, but governments should play a key role, by creating proper frameworks and investing in public services and institutions. Institutions such as farmers’ cooperatives, trade unions and employers’ organisations can ensure the necessary checks and balances.
- Track 3. **Sustainable value chain development:** the value chain - output, trade, processing and consumption - should be made more effective and sustainable, with due regard for People (income distribution), Planet (ecological sustainability) and Profit (economic growth).
- Track 4. **Increased market access:** local and regional markets should be stimulated and access to international markets and trade facilitated so that producers and consumers are linked and market incentives can serve as guiding principles for economic development.
- Track 5. **Food security and transfer mechanisms:** attention must be given to vulnerable groups who are at risk of being structurally locked out of the economy

Appendix 2: Preventive, mitigating, coping and transformative interventions relevant to agriculture

<i>Type of effect</i>	<i>Reducing likely incidence of shock or stress (preventive)</i>	<i>Reducing impact of shock or stress (mitigating)</i>	<i>Increasing resilience/reducing vulnerability (coping)</i>	<i>Addressing vulnerabilities arising from social inequities and exclusion (transformative)</i>
Type of intervention				
International agreements and conventions	Reworking of trade regimes; preventing international spread of ag-related disease		Rights of workers, of women and children....	
National legislation, regulation, public investment	Investment in major infrastructure; prevention of monopsony power, including in food processing, wholesaling and retailing, and of monopoly in farm input supply.	Promotion of good business climate, and of diversified rural economy; promotion of strong rural-urban links	Health and safety standards; minimum wage legislation; investments in health, nutrition and education; promotion of voice and citizenship.	
			Promotion of social equity via sensitisation and awareness campaigns and e.g. strengthening of Trade Unions. Moser's 'second generation' assets-based policy embracing rights and security, governance and the accountability of institutions.	
Agriculture sector strategies	Prevention of spread of crop/livestock disease; crop and livestock breeding strategies; investment in medium-scale infrastructure (e.g. irrigation, feeder roads); promotion of warehouse receipts, forward hedging etc; subsidies on inputs and improvement in markets	Enterprise diversification within farms; promotion of new forms of crop and livestock insurance	Agriculture-specific training; promotion of agriculture-related savings & investment;	Promotion of collective action for workers' rights in specific sector or sub-sectors
Asset building and access at community and individual levels	Public works to create communal assets (minor irrigation, bunds, drains, soil and water conservation; grazing; forest) and improve access	Improve access to communal assets Promotion of personal insurances etc	Strengthen individual assets – financial, health, education, awareness of rights, voice...Transfers in cash or in kind (e.g. subsidised food; FFW).	Promotion of rights of minorities at community level
Promote employment			Food or cash for work; support migration out of low productivity areas, and remittances	Ensure inclusion of minorities
Increase and/or smooth consumption			Transfers in cash or in kind (e.g. subsidised food; FFW).	Ensure inclusion of minorities

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