Social Protection in rural areas: FAO’s approach

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Overview

• FAO and social protection: Rationale

• Social protection in rural areas: current context and challenges to meet SDG1 and SDG2

• Key challenges and opportunities
Why social protection in rural areas?

• Central role of agriculture in terms of poverty reduction—thriving agricultural sector requires innovative technological practices, vibrant markets and investment
  – BUT, assuring inclusive production requires enhancing access of family farmers, and particularly the extreme poor and most vulnerable

• Most of the extreme poor and hungry live in rural areas, and depend, at least in part on agriculture for their livelihoods
  • Most of the extreme poor live in environmentally vulnerable and fragile countries
  • Global increase in the number of hungry due in large part to conflict and climate-related emergencies

• Social protection is the best way to provide immediate assistance to over 767 million living in extreme poverty and 815 million living with hunger

• Access to social protection has implications for (i) managing risk and (ii) economic inclusion: Core component of inclusive rural transformation
Social protection in rural areas

• Social protection as a key component for poverty reduction across regions

• Important progress in terms of SDG 1.3 – expansion of coverage (particularly around social assistance)

• Challenges remain:
  
  • Coverage and adequacy
  
  • Sustaining gains and maximizing impact
  
  • Resilience: climate related risks and conflict
  
  • Demographic challenges in rural areas: older persons and youth
Access to social assistance*: Rural areas > urban

Share of rural and urban population covered by social assistance, by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Rural</th>
<th>Urban</th>
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<tbody>
<tr>
<td>All countries (92)</td>
<td></td>
<td></td>
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<tr>
<td>East Asia &amp; the Pacific, other than China (10)</td>
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<tr>
<td>Europe &amp; Central Asia (18)</td>
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<tr>
<td>Latin America &amp; the Caribbean (20)</td>
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<td>Middle East &amp; North Africa (6)</td>
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<tr>
<td>South Asia (8)</td>
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<tr>
<td>Sub Saharan Africa (30)</td>
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</tbody>
</table>

Notes: Number of countries in parentheses. Source: SOFA 2015/ Authors’ calculations using World Bank (2015d).
Access to social insurance*: rural areas lagging behind

Share of rural and urban population covered by social insurance, by region

Coverage of All Social Insurance in rural and urban areas

- Sub Sahara Africa (29)
- South Asia (6)
- Near East and North Africa (6)
- Latin America and the Caribbean (18)
- Europe and central Asia (19)
- East Asia and the Pacific (15)

Source: ASPIRE dataset April 2018
The number of countries included is 92. The group of schemes included in the SI definitions are Old Age Contributory Pensions-Old age, Survivors and Disability- and Other Social Insurance- Occupational injury benefits, Paid sick leave, Health Insurance, Maternity and Other social insurance.
Important challenges remain: effective coverage

Only 45 per cent of the global population is effectively covered by at least one social benefit, while the remaining 55 per cent—4 billion people— are left unprotected. (ILO 2018)

- Policy concerns and misperceptions around social assistance remain: even in regions were programs are institutionalized (eg: LAC)

- Fiscal space and political prioritization

Adequacy and effective reach

- Limited access to social security benefits to those in rural areas given specificity of the agriculture sector: Missing middle; agriculture sub-sectors (FAO Review)

- Accessibility of services (eg: health) in rural setting

- Lack of trust in social security systems or perception that benefits are not relevant (ie: no benefits regarding crop loss or disaster impact)

- Structure of social security systems may not be compatible with the instability (or seasonality) of agricultural employment (ie: timeframe to receive benefits)
Important challenges remain: Youth and Elderly

Youth: Very few programs that are specifically targeted to youth (with the exception of some contributory programmes)

- SSA: What happens to children (18+) that graduate from social assistance programmes? Links to job intermediation, skill training and specific support?
- Some emerging programs looking at linkages with health and education; much limited focus around economic inclusion

Elderly: Policy concerns/perceptions persist: Pensions do not reach poorest in rural areas; too many barriers to access

- Health coverage: in rural areas where 56 per cent of the population lack health coverage as compared to 22 per cent in urban areas.
- Limited access to social pensions limit opportunities for younger generations to work on agriculture-access to land
Important challenges remain: Resilience

Conflict, displacement and climate-related risks

• Regular access to predictable transfers, contribute to enhancing capacity to respond, adapt withstand risks – how to enhance resilience?

• Some SP programmes have been used to channel humanitarian aid (Ethiopiaa, Hunger Safety Nets, Peru Juntos, among others)
  
  • Continues to be larger a post-crisis response. Limited links with early warning and early action
  
  • Social protection not effectively integrated into climate adaption or mitigation strategies (some exception: PROEZA, GCF Paraguay; Hunger Safety Net, Kenya)

• Displaced populations- limited access to social protection benefits (especially to enhance livelihood opportunities; particularly relevant in protracted crises)
Important challenges remain: Sustaining impacts

Evidence is clear in terms of the role of social assistance (eg: cash) in generating productive and economic impacts- households

Impact on:
• Enhance crop production (sales; more nutritious and higher value)
• Access to more and better food
• Use of inputs; increased investment in assets; ownership of livestock
• Increase of off-farm work;
• Risk management; engagement in informal reciprocity networks

Challenges
• How to maintain these impacts over time?
• How to move from food security to enhanced nutrition?
• How to move from small scale production (for consumption) to market access and sustainable livelihoods?
• How to move from minimizing negative coping strategies to long-term resilient livelihoods?

Social Protection: From Protection to Production
FAO’s contribution to address some of these challenges

Expansion of coverage and access

• Economic case for scale-up of social protection programmes

• Understanding and raising the visibility of the barriers to access social protection (assistance and insurance) to those living in the rural areas

• Developing costed packages based on capacity to contribute (differentiated packages based on livelihoods, income and availability)

• Learning from experience and lessons learned from community-based organizations; cooperatives and other
FAO’s contribution to address some of these challenges

Sustaining the FSN and economic impacts

• Promoting policy coherence between social protection, agriculture, FSN policies

• Linking farmer’s registries with social registries- livelihood dimensions

• Facilitating the access of participants of SP programmes to agriculture support programmes (access to inputs, training, extension services and other)- pro-poor agriculture investments

• Identifying (differentiated) barriers and pathways towards poverty reduction: agriculture, diversification, non-agriculture

• Defining the best “plus”/complementary packages to enhance existing productive impacts- cash +
  • Territorial approach
  • Inclusive value chains
  • Identifying broad range of economic opportunities (farm and off farm; innovative areas in the context of urbanization and new markets)

• Strong analytical investment to show (economic, cost/benefit and impact) value added of coherence and articulation- for social and agriculture sectors
Climate related risks, conflict and forced displacement

- Support the development of risk-informed and shock responsive social protection programmes
  - Promoting and facilitating the integration of SP into DRR/DRM policies
  - Cash plus (specific to fragile or post conflict settings- from rehabilitation to re-building livelihoods)
  - Promoting the use of forecast and FSN situation analysis (Early Warning systems, IPC) to inform early actions, including through social protection programmes
  - Analyzing the cost savings of early actions vs. response
  - Support the livelihoods of host communities, as well as refugees (particularly in protracted contexts)
Many thanks