

Livelihood protection and promotion in the agriculture context – can we have both?

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Different disciplines, different depts, different objectives...

- Agriculture – biophysical sciences, economics, located in ag depts, focus on increasing productivity....arena: farming
- Social protection: social sciences (usually other than economics); Social Welfare etc depts; aim to protect and support...arena: household

...but commonalities between farm and household arenas

- Farming and the household are linked by flows of labour, goods and capital (cash is highly fungible, but so are other assets such as small livestock)
- Linked by need for assets to protect against vulnerability, and (in agriculture) minimum threshold of assets needed to engage in production
- In both, this can be achieved by reducing the variance of income preferably around a rising trend, or of costs around a falling trend.
- Interaction effects also need to be reduced, such that demands for cash in the household arena do not reduce agriculture capital below critical minimum levels
- Both are subject to **shocks** and **stresses**

Shocks and stresses

- ***Agriculture shocks***: price-related; weather-related; pests and diseases...
- ***Agriculture stresses***: long-term price decline; decline in fertility, CPR...
- ***Intra-household shocks***: sudden sickness, injury, death
- ***Intra-household stresses***: chronic sickness, marriage expenses...

Current approaches focus mainly on risk reduction

- Conventionally perceived: “trampoline” in World Bank Social Risk Management (But many cannot “bounce back up” and, for those who can, complex sequences may be necessary)
- Risk reduction (weather-induced; price-induced)
- Some effort to reduce vulnerability (thrift societies; USAID interest in matching grants to savers)

Broader perspectives: ag policy decisions can be both promoting and protecting

- *Investments in rural infrastructure, soil + water conservation, pro-poor irrigation...*
- *Promote access to assets which are not owned (forest; grazing; water bodies...)*
- *Legislation and regulation (e.g. land tenure + inheritance; minimum wages; making markets work for the poor; standards...)*
- *Service delivery: e.g. appropriate balance in agric research priorities; promotion of farming systems able to spread risk; promotion of information and ability to access it;*
- *Other services (credit; insurance; processing/marketing*

...and SP measures can be growth-promoting

- *Cash transfers*
- *Subsidised/free food (if sourced locally)*
- *Subsidised/free inputs*
- *Employment generation (+ asset creation)*
- *Financial services: credit, savings, contributory pensions, personal/property insurance*

(NB evidence that those chronically unable to engage in productive economy nevertheless spend some of the transfers they receive on productive purposes)

...but negative interactions need to
be avoided

- Depressing effects on local markets of mis-timed food transfers
- Increased exposure to risk resulting from high-input, high productivity models of agricultural growth

Conclusions

- Take a broader view than risk: i.e. shocks and stresses, and how people are vulnerable to them
- Consider household and productive arenas together, not separately
- Mainstream “protection” into productive sector policy decisions
- Put more resources into reducing vulnerability

