United Nations Conference on Trade and Development MULTI-YEAR EXPERT MEETING ON COMMODITIES AND DEVELOPMENT 21-22 April 2016, Geneva The importance of universal social protection for smallholder farmers and rural populations, as well as its broader role in contributing to food security and nutrition By Ms. Christina Behrendt, Social Protection Department, International Labour Organization

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



## The importance of universal social protection for smallholder farmers

UNCTAD 8th Multi-year Expert Meeting on Commodities and Development Geneva, 22 April 2016

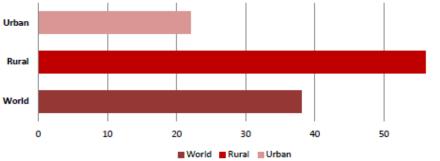
Christina Behrendt International Labour Office, Social Protection Department

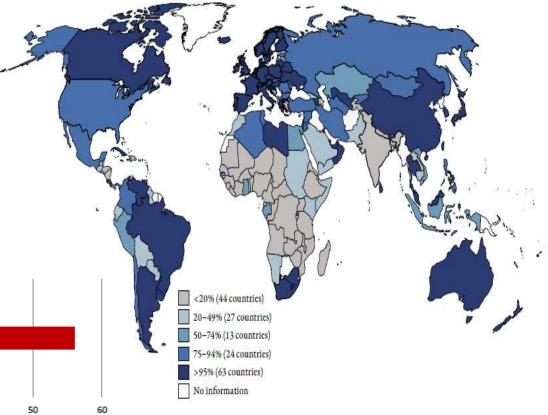
### Social risks can negatively impact economic opportunities for smallholder farmers and rural populations



## Lack of social protection often affects rural populations in particular

Proportion of the global population not covered by a health protection mechanism: 39% total population 56% rural population





Note: Share of the population covered by national health service or affiliated to a public or private health insurance.. Sources: Scheil-Adlung, X. (2015): Global evidence on inequities in rural health protection, ILO; ILO World Social Protection Report 2014/15, ILO, Figure 5.2.

### Universal social protection: Social protection floors as part of wider system



### Universal social protection – how? Country examples



Adapted health insurance mechanisms combined with tax financing facilitate effective access to health care *Colombia, Ghana, Rwanda, Thailand* 



Cash transfers for children and families reduce vulnerability and facilitate access to nutrition, health and education *Argentina, Brazil, Mexico, Mongolia, South Africa* 



Cash transfers for poor households with limited work capacity channel resources into poor rural communities (est. multiplier effect: 1.5-2.5) *Ghana, Kenya, Lesotho, Malawi* 



Adapted contributory pensions or tax-financed pensions provide income security in old age for farmers and rural populations

Brazil, Lesotho, Nepal, Viet Nam

## Extending social protection to smallholder farmers and rural populations: positive impacts

#### **Income security**

- Direct income supportPoverty reduction and prevention
- Positive impacts on food security

#### **Risk management**

- Addressing social risks for farmers and rural populations
- Potentially increasing productivity

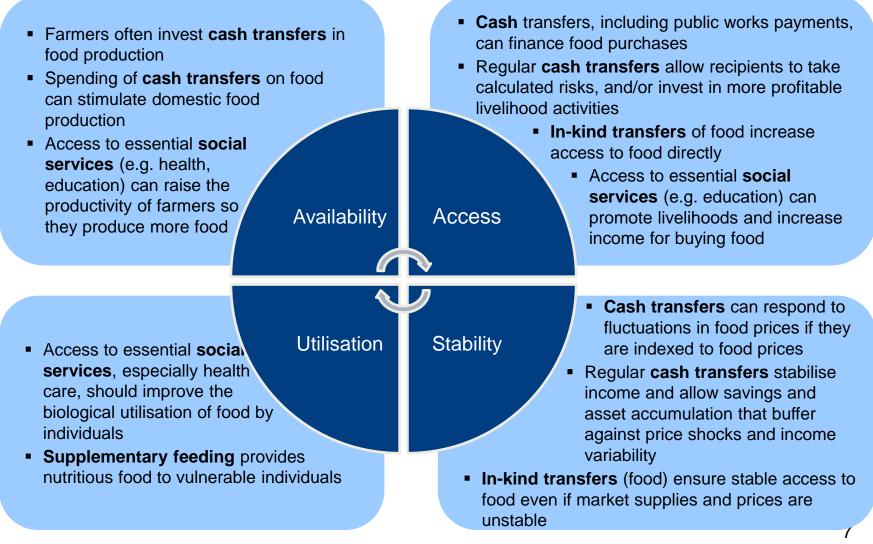
#### Stimulation of the local economy

- Channelling cash into local economy, multiplier effects
- Positive effects on agricultural production, rural employment and poverty reduction
- Facilitating access to formal structures

#### Investing in people

- Development of human capital
- Health, education, skills
- Breaking intergenerational transmission of poverty

# Social protection floors contribute to food security



Source: Based on Devereux. 2015. Realising the Right to Social Security and the Right to Food (Geneva, ILO).

## The way ahead: Time for action



2030 Agenda for Sustainable Development

Social protection is reflected in several SDGs

ILO Global Flagship Programme on Building Social Protection Floors for All

Working As One within UN and with other partners



## **Useful resources**

- <u>Recommendation concerning national floors of social</u> <u>protection</u> (Social Protection Floors Recommendation), 2012 (No. 202).
- <u>Recommendation concerning the transition from the</u> <u>informal to the formal economy</u> (Transition from the Informal to the Formal Economy Recommendation), 2015 (No. 204).
- <u>Social protection for all: Building social protection floors</u> and social security systems: The strategy of the International Labour Organization, Geneva: ILO, 2012.
- World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice (Geneva: ILO, 2014).
- Extending social security to all. A guide through challenges and options (Geneva: ILO, 2010).
- Social Protection Floor Advisory Group: <u>Social protection</u> <u>floor for a fair and inclusive globalization</u> (Geneva: ILO, 2011).
- <u>Sharing Innovative Experiences: Successful Social</u> <u>Protection Floor Experiences (New York and Geneva:</u> UNDP, Special Unit for South-South Cooperation and ILO, 2011).

- ILO. 2015. <u>Extending social protection to the rural</u> <u>economy</u>. (Geneva, International Labour Office).
- Devereux, Stephen. 2015. <u>Realising the Right to</u> <u>Social Security and the Right to Food: The</u> <u>contribution of national social protection floors</u> <u>towards food security and the realisation of the</u> <u>right to adequate food for all.</u> (Geneva, International Labour Office).
- <u>Global Flagship Programme</u>, including
  - Brochures and strategy
  - Country and thematic opportunities documents
  - Delivering as one UN briefs
- Web platform on social protection and the SDGs time for action
- Social Protection Platform: <u>www.social-protection.org/</u>
- Social Protection and Human Rights web platform: <u>www.socialprotection-humanrights.org/</u>

## National social protection floors contribute to food security (1): Availability

Components of food security	How can national SPFs address food insecurity?	Which food security instruments could be integrated in, or linked to, national SPFs?	What complementary policies are needed to ensure food security?
AVAILABILITY Domestic production Import capacity Food stocks Food aid	<ul> <li>Farmers often invest cash transfers in food production</li> <li>Spending of cash transfers on food can stimulate domestic food production</li> <li>Access to essential social services (e.g. health, education) can raise the productivity of farmers so they produce more food</li> </ul>	<ul> <li>Agricultural input subsidies stimulate foodcrop production and household food security, especially if they are targeted to food insecure farmers</li> <li>Public works projects that support farmers (e.g. soil and water conservation, hillside terracing) can raise agricultural production</li> </ul>	<ul> <li>Food production can be promoted by all policies that enhance farmers' access to agricultural inputs: arable land; irrigation; fertiliser; seeds; tools; and financial services</li> <li>Food availability can also be influenced by favourable national and international trade policies</li> </ul>

# National social protection floors contribute to food security (2): Access

Components of food security	How can national SPFs address food insecurity?	Which food security instruments could be integrated in, or linked to, national SPFs?	What complementary policies are needed to ensure food security?
ACCESS Poverty Purchasing power Income Transport Market infrastructure	<ul> <li>Cash transfers, including public works payments, can finance food purchases</li> <li>Regular cash transfers allow recipients to take calculated risks, and/or invest in more profitable livelihood activities</li> <li>In-kind transfers of food increase access to food directly</li> <li>Access to essential social services (e.g. education) can promote livelihoods and increase income for buying food</li> </ul>	<ul> <li>School feeding increases access to food for poor children; "home grown school feeding raises local farmers" incomes</li> <li>Public works projects that build feeder roads can link people to markets and lower food prices</li> <li>Food price subsidies can raise access to food by lowering the cost of food in local markets or retail stores</li> </ul>	<ul> <li>Asset transfers and livelihoods support (e.g. training for diversification) can graduate people out of food insecurity</li> </ul>

## National social protection floors contribute to food security (3): Stability

Components of food security	How can national SPFs address food insecurity?	Which food security instruments could be integrated in, or linked to, national SPFs?	What complementary policies are needed to ensure food security?
<b>STABILITY</b> Weather variability Price fluctuations Political factors Economic factors	<ul> <li>Cash transfers can respond to fluctuations in food prices if they are indexed to food prices</li> <li>Regular cash transfers stabilise income and allow savings and asset accumulation that buffer against price shocks and income variability</li> <li>In-kind transfers (food) ensure stable access to food even if market supplies and prices are unstable</li> </ul>	<ul> <li>Weather-indexed insurance schemes compensate farmers for harvest failure or livestock losses</li> <li>Seasonal public works or employment guarantee schemes stabilise household incomes (cash-for-work) or access to food (food-for-work)</li> <li>Price controls, tariff reductions, export taxes or bans, all protect consumers</li> </ul>	<ul> <li>Grain reserves or buffer stocks can be strategically managed to stabilise food supplies and prices throughout the year</li> </ul>

## National social protection floors contribute food security (4): Utilization

Components of food security	How can national SPFs address food insecurity?	Which food security instruments could be integrated in, or linked to, national SPFs?	What complementary policies are needed to ensure food security?
UTILISATION determined by: Health status	<ul> <li>Access to essential social services, especially health care, should improve the biological utilisation of food by individuals</li> <li>Supplementary feeding provides nutritious food to vulnerable individuals</li> </ul>	<ul> <li>Linking the delivery of social transfers to health and nutrition education or awareness raising sessions (e.g. conditional cash transfer programmes) should improve the utilisation of food</li> </ul>	<ul> <li>Child nutrition status can be enhanced by providing vitamins and minerals, promoting breast-feeding, and treating acute malnutrition</li> </ul>

Source: Devereux, Stephen. 2015. *Realising the Right to Social Security and the Right to Food: The contribution of national social protection floors towards food security and the realisation of the right to adequate food for all.* (Geneva, ILO). Available at: http://www.social-protection.org/gimi/gess/RessourcePDF.action?ressource.ressourceId=53195.

## Social protection in the 2030 Agenda

Target 1.3 - Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

Target 2.1 - By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

Target 3.8 - Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all



Target 5.4 - Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.

Target 8.5 - By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Target 10.4 - Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality