



Food and Agriculture  
Organization of the  
United Nations



Reducing Rural  
Poverty:  
Social Protection,  
Access and Decent  
Employment

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# Overview

- FAO's approach to Reducing Rural Poverty: Rational and Thematic Priorities
- Social Protection: *From Protection to Production*
- Decent rural employment: promotion of decent work for all-rural youth, women
- Challenges and Opportunities

# Why FAO focuses on rural poverty reduction?

- **Poverty and hunger are concentrated in rural areas:** 767 million people are extreme poor and 795 million are undernourished (SOFI 2015); most of them living in fragile contexts and relying on agriculture for their livelihoods
- Rural poor affected by **market failures** which halt their ability to move out of poverty (even in contexts of economic growth): limited access to employment, financial services, innovative technologies and practices.
- Consumption and production decisions are **interdependent**: low risk/low return livelihood strategies
- About 8/10 working poor (who live on less than USD1.25/day) live in rural areas and are engaged in vulnerable employment in the informal economy, mainly agriculture
- *A thriving agriculture sector requires innovative technological practices, vibrant markets and investment. BUT it also requires enhancing the capacity of family farmers to access these*

# Multiple pathways out of poverty in context of rural transformation

1. **Agricultural path** (Categories 1 and 2; part of 3)
2. **Diversification** (Categories 4 and 5; part of 3)
  - Combining farming with other forms of self employment and wage labour, including migration
3. **Exit agriculture** (Categories 4 and 5; part of 3)
  - For other forms of self employment and wage labour, including migration

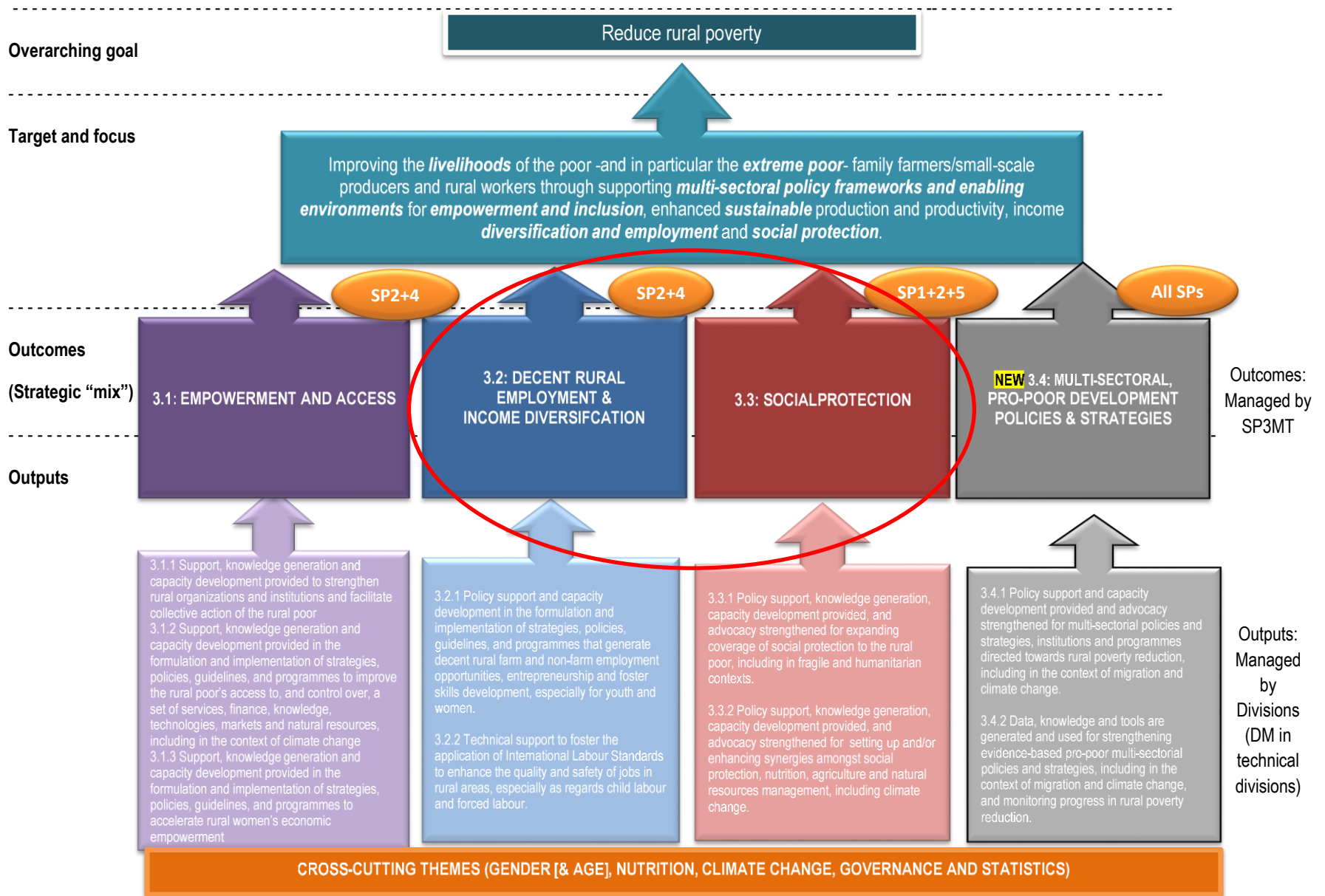
## Conditioned by many factors:

- Dynamic, intermediate and hinterland zones; agro-climate
- Stage of structural and agricultural transformation
- Access to resources, services, technology, information, etc.
- Existing rural infrastructure, food systems, etc.
- Institutional framework
- HH characteristics (including gender, ethnicity, dependency ratios)
- Conflict and disaster-prone areas
- Political economy, etc.

# What is necessary to reduce rural poverty

- Foster inclusive structural transformation and growth - enabling poor to actively participate in, and benefit from, economic activity
  - Diverse spectrum of rural households living in poverty
  - Broad, multi-sectoral approach with differentiated strategies, reflecting multiple pathways out of poverty
  - Across development and humanitarian continuum
- Address structural constraints faced by poor agricultural households
  - Access to insurance, credit, technology, services, information, markets, etc.
- Create decent off-farm employment for the poor
- Build and scale-up social protection systems
- Build rural infrastructure (energy, transport, water, sanitation)
- Build human capital
- Strengthen governance
  - Capacities of local government, institutions, and organizations
- Empowerment of the poor
  - Participation and voice; knowledge and protection of their rights

**SP3 Structure**  
**Theory of Change, Results Framework & Operationalization**



# Social Protection: From Protection to Production

- SP as a corporate priority to promote inclusive rural development
- Outcome in the Strategic Framework – contributing the Strategic Programme on Reducing Rural Poverty (SP3)
  - Also recognized as a key component for SP on Resilience (SP5) and on Eradication of Hunger, Food Insecurity and Malnutrition (SP1)
- FAO Social Protection Framework (\*2017)

## Rationale for FAO's engagement:

- Solid evidence on the role social protection plays in strategic areas of FAO's work:
- Right to Food and Right to Social protection
- 10 divisions contributing to Social Protection across SPs; Working across all regions

# Social Protection: From Protection to Production

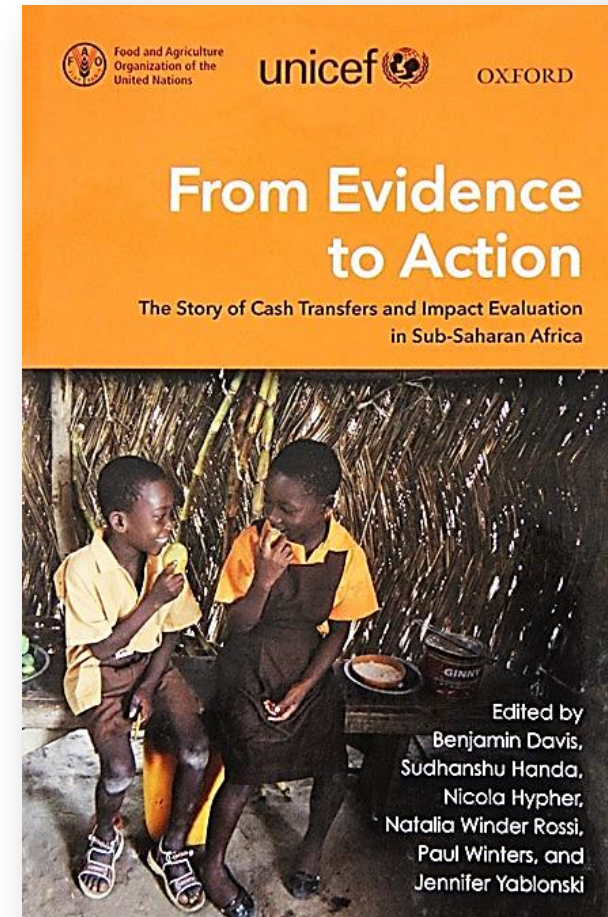
## What is FAO's contribution? Specific niche?

- Concrete contribution to countries' ability to reach target 1.3: expansion of coverage of social protection
- **Economic case for scale-up**
  - Ensuring the (adequate) coverage of social assistance and social security to agriculture sectors, including forestry, fisheries and other
- **From Protection to Production:** Complementing social protection interventions with productive and nutrition interventions to support a *sustainable move out of poverty (linking SD1 and SD2)*
- **Resilient livelihoods:** Enhance the capacity of social protection systems to effectively and timely prevent and respond to crises to protect lives *and* livelihoods



# Building the Economic case for scale-up

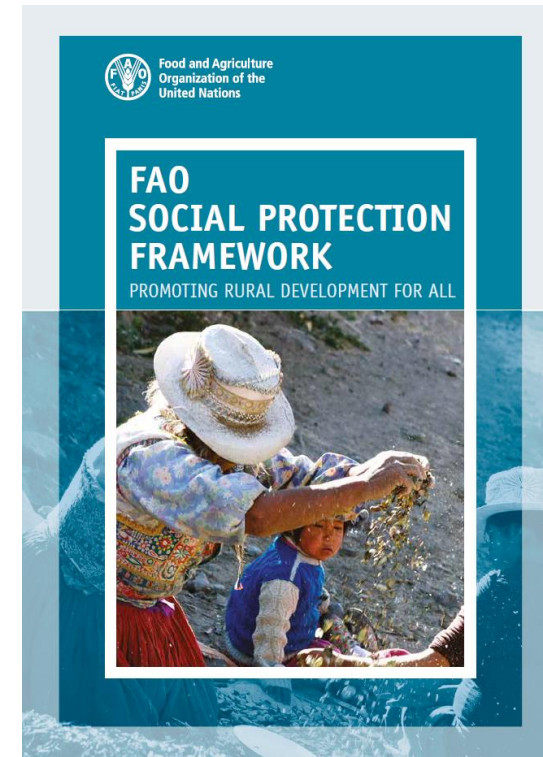
- Strong, **rigorous evidence base on the productive and economic impacts of cash transfers**
  - Evidence embedded in country policy processes (*Sub-Saharan Africa*)
- Addressing policy concerns (and *myths*) regarding SP
- Partnership with UNICEF, government and local research organizations
- Visible impacts on social dimensions (food security, access to education and health) but also **economic and productive impacts**
  - Enhancing productive capacity (entrepreneurial activities)
  - Social protection tends to increase labour demand in on-farm agricultural activities.
  - Simulate investments in non-farm household enterprises
  - Impacts in local economy
- Social Cash transfers are not a “handout”—they do not create dependency
  - Influence labour choices, but do not reduce work effort
  - Beneficiaries work differently, not less. They create more income than they receive
  - No evidence of increased fertility or alcohol consumption



# Building the Economic case for scale-up

## Current role: Broadening the analytical agenda:

- **Social protection PLUS: CASH+;** homegrown school feeding (Zambia, Lesotho, Kyrgyzstan)
- Comparing **efficiency** and impact of different interventions (eg: cash vs. input subsidies)
- Evaluation of cash based interventions in **fragile and emergency contexts** (Sahel)
- **Costed models to expand social insurance** to rural farmers (Mali, Lebanon)
- Linking farmers' registries with SP MIS
- **Livelihood profile analysis to identify differentiated packages** of SP and SP+ interventions
  - Assessing the specific vulnerabilities of fisher folk and forest depending communities
- **Budget analysis:** efficiency of allocation



# From Protection to Production

**Systems approach: SOFA 2015 main message:** Social protection generates important social and economic impacts; but by itself it will not be able to sustainably move people out of poverty---- there is a need for an integrated approach

## What is our current role?

- Promoting **coherence between social protection, FSN, agriculture, NRM and resilience policies** (*Rwanda, Zambia, Senegal*)
- **Operationalization** of this coherence: bringing FAO's specific technical expertise on AG to design pro-poor complementary interventions
- Integrating SP into wider rural development, poverty reduction, **food security and nutrition**, NRM, resilience and climate change policies/plans (El Salvador, Colombia)
  - Policy and legal support to countries to include the agriculture sector as part of labor/social security legislation and benefits
- Recognizing the need for differentiated approaches- as population moves out of poverty

# Shock Responsive Social Protection



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What is our current role?: Commitment to scale-up cash based interventions and risk informed and shock responsive social protection

- **Advocacy** on role of social protection as a risk management instrument
- Ensuring agriculture and FSN considerations are included in **risk-informed SP design**
  - Effectively linking Early warning instruments to SP MIS (Trigger events, protocols, etc)
  - *Promoting* multi-sector/comprehensive targeting (environment, social, economic, conflict)
- Complement cash-based interventions with productive practices (*Lesotho-El Nino Response, Paraguay, Honduras*)
- Removing the financial (And social?) barriers that small scale farmers face to invest in climate-smart agriculture (eg: move from slash burn to sustainable practices- *Dry Corridor, El Salvador, Paraguay*)
- Support **host communities** in the context of forced displacement and massive influx of refugees (Lebanon)

**SOCIAL PROTECTION IN HUMANITARIAN AND FRAGILE CONTEXTS**

93% OF PEOPLE LIVING IN EXTREME POVERTY ARE IN FRAGILE AND HUMANITARIAN CRISES CONTEXTS.

NATURAL DISASTERS FORCE 26M PEOPLE INTO POVERTY AND COST \$520BN IN LOSSES EVERY YEAR.

MORE THAN 80% OF THE DAMAGE AND LOSSES CAUSED BY DROUGHT IS TO AGRICULTURE.

THERE IS AN URGENT NEED FOR INNOVATIVE SOLUTIONS THAT BRIDGE HUMANITARIAN AND DEVELOPMENT DIVIDE.

**What can social protection do?**

Social protection enhances the capacity of rural families to prevent, manage and cope with threats and crises by:

- > Minimizing negative coping strategies and vulnerabilities
- > Boosting families' productive and economic potential
- > Extending economic impacts to whole communities and local economy, not only to the direct programme beneficiaries
- > Serving as key component of social cohesion
- > Helping host communities access services and economic opportunities while also benefiting refugees.

**To maximize these impacts FAO is working on**

- Shock responsive social protection systems**  
Components of shock-responsive social protection systems:
  - Risk informed
  - Flexible
  - Time and cost effective
  - Promoting sustainable agriculture
  - Links with climate change adaptation and mitigation strategies
  - Comprehensive targeting mechanisms (economic, social, environment, conflict)
- Knowledge generation**
- Cash (+) interventions**  
CASH+ programmes combine transfers of cash, productive assets and/or technical training for poor and vulnerable families. It illustrates FAO added value in providing a flexible combination of cash transfers and agricultural productive interventions.
- Policy support and capacity building**

FAO Food and Agriculture Organization of the United Nations [www.fao.org/social-protection](http://www.fao.org/social-protection)

# FAO's work in Decent Rural Employment Thematic Priorities

Decent rural employment: Corporate Priority\*

- Promoting **employment opportunities** in rural areas-
  - Identify opportunities along the value chain
  - Explore farm and off farm employment opportunities – innovation, private-public partnerships, skills mix development
  - Specific focus on youth (Age 15-17\*)
- **Decent work conditions** in rural areas
  - FAO's work focuses on promoting safer practices across agricultural sub-sectors
- **Child labor in agriculture**
  - Develop the capacities of governments and agricultural extension services to address child labour in agriculture
  - Enhance cooperation between national ministries of labour and agriculture
- Addressing **economic root causes of migration**: migration as a choice
  - Generate evidence on migration and rural development to support policy making
  - Support capacity development at country and regional level

# Examples of FAO's work in Rural Decent Employment

## Scaling up decent jobs for youth

### At global level:

#### IANYD

FAO is part of cooperation mechanisms such as the Inter-Agency Network on Youth Development (IANYD). The IANYD is a network of UN entities whose work is relevant to youth. Its aim is to increase the effectiveness of UN work in youth development by strengthening collaboration among relevant UN entities, while harnessing the benefits of their unique approaches and mandates.

#### Global Initiative on Decent Jobs for Youth

This initiative, led by ILO, is the first UN system-wide effort to scale up action in support of youth employment, involving in its development 19 entities of the United Nations, among which: FAO, UNIDO, UNICEF, UNESCO, UNDESA, UNEP, World Bank, and the Secretary-General's Envoy on Youth. The Initiative will scale up regional and country level actions on decent jobs for youth, through tailor-made funding modalities and resource mobilization.

### At regional level:

#### FAO/IFAD Youth Caribe

The FAO/IFAD Programme *Strengthening DRE opportunities for young women and men in the Caribbean* was launched in 2015 to address the growing level of youth unemployment in the region.



The programme aims at creating national rural youth employment plans and a overarching regional youth employment strategy.

# Challenges

- How to ensure that the *specificities of the agriculture sector* are included in the design of social protection and decent work policies at country level?
  - Health, old age pension, education, but also.. Agriculture insurance/weather crop protection,, seasonality, migration, among other
- How to promote **innovative income generating activities** in the rural sector that can attract youth? Or how to better help an effective agricultural transformation rural-urban?
- *Financing of social protection*- how to continue working in identifying policy options to scale-up: investment vs. cost
- How to best *define responses* that acknowledge (i) differentiated paths out of poverty; (ii) context specificity; (iii) specific characteristics of those in rural areas
- How to move from *protection* → *production* → *enhancing productivity* and ensuring long term sustainable development

# Opportunities

- SDG 1.3 (\*\*)
- Universal Social Protection Initiative- led by WB/ILO, with support of SPIAC-B
- The UN Global Initiative on Decent Jobs for Youth
- Expansion and scale-up of national social protection programmes even in low income countries (Lesotho, Kenya, Rwanda, Tanzania, among many others)
  - Strong focus on Protection → production
- Regional commitments to social protection- AU STC, ASEAN, CELAC (linking SP, Agriculture and FSN)

## More emphasis on:

- **Investments in agriculture and inclusive rural transformations** to diversify rural economies
- Explicit targeting of **employment and social protection** objectives in strategies at macro, and local and sector-based level
- More and better job opportunities for the **rural youth**
- **Gender equality** in the rural labour market and in rural areas
- Special attention to **green jobs in sustainable agriculture**
- Facilitating the direct engagement of the **private sector** in job creation and skills development
- **Well-managed migration** as an enabler for sustainable development, for countries of origin, transit and destination alike