

Protecting the food consumption of the poor: The role of safety nets in Ethiopia and El Salvador

Around the world, 870 million people are chronically undernourished. Environmental degradation, climate change, and food price spikes put additional pressures on the ability of poor people to meet their basic food consumption needs. The experiences of Ethiopia and El Salvador show that investments in safety nets can be an effective mechanism to reduce chronic food insecurity and respond to spikes in food prices.

Building resilience to droughts in Ethiopia

For more than 30 years, emergency food aid was the primary response to food insecurity in Ethiopia. The aid saved lives, but it did not prevent asset depletion, nor did it help households rebuild their livelihoods after droughts. To move from crisis response to prevention, the government of Ethiopia launched the Productive Safety Net Program (PSNP) in 2005. Its main objective is to protect food consumption and prevent asset depletion of rural households that lack food security. The program includes a public works component and provides direct grants for those who cannot work. By 2009 the PSNP had become the largest program of its kind in Sub-Saharan Africa, supporting 7.6 million chronically food insecure people. In 2011, when the Horn of Africa suffered its worst drought in 60 years, the PSNP was expanded to cover 9.6 million people. It relies on donor contributions but is managed by the government; its budget is about 1.2 percent of gross domestic product.

The program provides predictable cash and food transfers for six months of the year corresponding to the so-called “lean season,” when households tend to run out of food. The transfers cover about 40 percent of a recipient’s annual food needs. A complimentary initiative, the Household Asset Building Program (HABP), provides microcredit, agricultural extension, and business advice to help PSNP recipients improve their asset base, so that eventually they can manage without aid. About three of every four PSNP beneficiaries also had access to some HABP services from 2006 to 2010.

Program participants are chosen through a combination of geographic and community targeting. At the start of the program, the government identified the most food insecure districts based on a long history of emergency food aid. Within these districts, household eligibility is determined through a community-based selection process according to predefined criteria. The wage rate for the public works program was set low, to discourage better-off households from applying.

Steps were also taken to respond to the needs of the transitory poor. These included annual retargeting to respond to changes in the relative positions of households; a contingency budget to cover households that might become chronically food insecure; a risk-financing facility to

provide funding during a crisis should the contingency budget be exhausted; and an emergency response system to cover districts that are not participating in the PSNP.

Evaluations have shown that the program has reduced household food insecurity. Receiving PSNP transfers for five years is associated with an increase of food security for 1.05 months a year compared with having received no transfers, and 1.53 months when households receive both PSNP and HABP services. The PSNP also reduced distress sales of assets, from 51 percent of beneficiary households at the start of the program to 34 percent by 2010. In addition, the public works projects helped create valuable community assets such as roads, schools, and clinics, and improved agricultural productivity through water and soil conservation.

The program has outperformed traditional humanitarian responses in timeliness of disbursements during major droughts. During the 2011 drought, the government provided aid within two months after a drought warning, using the risk financing facility—the typical humanitarian response is eight months.

The PSNP has demonstrated that receipt of timely and predictable assistance enables households to manage risks more effectively and reduce the use of costly coping mechanisms. The program also has positive community-wide impacts through creation of public assets and environmental restoration, which should facilitate long-term improvements in livelihoods. It also demonstrates the benefits of shifting the donor community’s approach from meeting short-term food needs through emergency relief to addressing the underlying causes of household food insecurity and investing in permanent systems with the ability to manage risk proactively.

Ensuring food security in the face of natural disasters and economic shocks in El Salvador

El Salvador is exposed to multiple shocks that threaten food security, including natural disasters—floods, earthquakes, and hurricanes—as well as shocks to the economy, which is small, dollarized, and dependent on remittances. To mitigate the impact of these shocks, the government has introduced several safety nets: conditional cash transfers (CCTs) and pensions in rural areas, school feeding in all public schools, and an income support program in cities.

While the programs were designed with donor support, they are fully owned and managed by the government. These safety nets were effective in protecting the consumption of recipients during food price spikes in 2007–08, job losses and reduction of remittances due to the global economic crisis in 2009, and severe storms in 2010.

The Comunidades Solidarias Rurales, or CSR (formerly Red Solidaria), launched in 2005, provides short-term assistance to the extreme poor in rural areas and increases incentives for investments in human capital. Pregnant women and mothers of children up to age 5 receive monthly cash transfers of \$15. Families with children aged 6 to 18 also receive the transfers if they comply with regular health checkups and preschool and school attendance requirements. In addition, the program supports improvement of basic services—water, sanitation, electricity, health and nutrition, and income-generating activities—in target localities. In 2012, CSR had about 85,000 beneficiaries in 100 of the poorest rural communities.

CSR was effective in smoothing food consumption and preventing increases in stunting among children in beneficiary households when food price inflation doubled in 2008. Beneficiaries of the CCTs reported improvements in nutrition and health as a result of program participation. In 2009, as part of the crisis response program, the government also introduced monthly pensions of \$50 for people older than 70 in CSR-supported communities. An evaluation by the International Food Policy Research Institute has shown that CSR is well targeted, ranking third in its targeting effectiveness in Latin America after programs in Brazil and Chile.

The government has also taken steps to address rising food insecurity and poverty in cities following job losses and the increase of food prices associated with the global economic crisis. A Temporary Income Support (PATI) Program, launched in 2009, provides six months of income support to the urban poor who participate in community projects ranging from rehabilitating infrastructure to providing social services. An innovative feature of the program is that it conditions income support on attendance of training activities, and thus aims to address income vulnerability and longer-term employability with one integrated instrument. Experienced social workers teach participants not only technical skills such as sewing, cooking, or car repair, but also entrepreneurship skills and soft skills such as how to prepare for job interviews or write resumes.

PATI targets municipalities with the highest urban poverty rates, giving preference to two groups with above-average unemployment rates: young people and female household heads. The program started as a pilot in two municipalities in 2009, was rapidly expanded to 11 municipalities affected by severe storms in 2010, and reached 40,000 beneficiaries in 36 municipalities by 2012. It has proven helpful in rehabilitating urban infrastructure and smoothing beneficiaries' food consumption. Preliminary World Bank evaluations show that

PATI had a positive impact on improving job readiness and willingness to start a business. Once considered a short-term crisis response program, PATI is now a core element of El Salvador's new Comunidades Solidarias Urbanas Strategy, modeled after the CSR but adapted to an urban context. The urban CCT program is currently being piloted in 25 municipalities, with plans for expansion.

El Salvador is an example of a small, relatively poor country that has been able to design and implement several complex safety net programs. The government learned from international practice but adapted the programs to the local context and added some innovations. These include combining CCTs with activities to improve infrastructure and generate income, and conditioning short-term income support on training to facilitate longer-term improvements in livelihoods of beneficiaries. Political commitment to reducing food insecurity and poverty was an important element of El Salvador's success; the programs were developed continuously under several different administrations. A sequenced approach was another characteristic. Beginning with a small rural safety net in 17 poor rural communities, the government gradually added more rural areas as administrative capacity improved, then a pension component, and is now expanding to urban areas. The government is currently working with donor agencies on building a more integrated social protection system that could provide protection against risks across the entire life cycle.

Sources

Ethiopia

Hobson, Matt, and Laura Campbell. 2012. "How Ethiopia's Productive Safety Net Programme Is Responding to the Humanitarian Crisis in the Horn." *Humanitarian Exchange Magazine* 53 (March).

Subbarao, Kalanidhi, Carlo del Ninno, Colin Andrews, and Claudia Rodriguez-Alas. 2012. *Public Works as a Safety Net: Design, Evidence and Implementation*. Washington, DC: World Bank.

World Bank. 2010. "Designing and Implementing a Rural Safety Net in a Low-Income Setting: Lessons Learned from Ethiopia's Productive Safety Net Program 2005–2009." World Bank, Washington, DC.

———. 2012. "Before Crisis Hits: Can Public Works Programs Increase Food Security?" *From Evidence to Policy*. World Bank, Washington, DC (September).

El Salvador

De Brauw, Alan, and Edmundo Murrugarra. 2011. "How CCTs Help Sustain Human Capital during Crises. Evidence from Red Solidaria in El Salvador during the Food Price Crisis." Unpublished manuscript, World Bank, Washington, DC.

IFPRI (International Food Policy Research Institute), and FUSADES (Fundación Salvadoreña para el Desarrollo Económico y Social). 2008. "Evaluación de Impacto Externa de la Red Solidaria: Informe de la Eficacia de la Focalización." IFPRI and FUSADES, Washington, DC.

Soares, Fábio Veras. 2012. "What Is Happening with El Salvador's CCT Programmes?" One Pager 168, United Nations Development Programme, Brasília.

World Bank. 2010. "Accessing Good Quality Jobs: Priorities for Education, Social Protection, Science and Technology." World Bank, Washington, DC.

———. 2012. "The Evolution of Poverty and Equity in El Salvador, 2000–2010." Unpublished manuscript, World Bank, Washington, DC.