
Mainstreaming Safety Nets in the Social Protection Policy Agenda:
A New Vision or the Same Old Perspective?

Ugo Gentilini

University of Rome III
Rome, Italy
ugogentilini@hotmail.com

Abstract
Social protection aims to provide a national platform for smoothly transitioning from a chaotic collection of shock responses to an institutionalized system for risk and non-risk management. For the poorest, the transition aims to move away from ad hoc, unpredictable relief to national safety nets that deliver timely, multi-year, guaranteed and predictable transfers. Social protection has to face particular challenges in chronically poor, shock-prone countries where the distinction between the chronic and transitory poor is often blurred. Other conceptual and programmatic issues also need further investigation. For filling these gaps, a research agenda articulated in ten thematic areas is proposed.

Keywords: vulnerability, risk, shocks, social protection, safety nets.

1. Introduction
“Social protection is moving up in the development agenda.” So begins a recent World Bank paper on the role of social protection in a globalizing world. Indeed, in recent years social

---

1 This article was originally prepared for the conference on Social Protection for Chronic Poverty organized by the Chronic Poverty Research Centre held in Manchester, February 2005. I benefited enormously from conversation with a number of people who, in different ways, helped me in conceiving some of the ideas here presented. In particular, I would like to thank Petros Aklilu, Harold Alderman, Annalisa Conte, Nicholas Crawford, Benjamin Davis, Carlo Del Ninno, Stephen Devereux, Lawrence Haddad, Paul Harvey, Wolfgang Herbinger, Robert Holzmann, Robin Jackson, Allan Jury, Salvatore Monni, Prabhu Pingali, Stanlake Samkange, Domenico Scalpelli, Andrew Shepherd, Samir Wanmali and Sonali Wickrema. I’m particularly grateful to Lynn Brown, Volli Carucci, Paul Howe, Al Kehler and Patrick Webb for both their knowledge and experience that inspired me and for the patience and time that they devoted me.
protection has triggered new exciting academic initiatives, and original research has increasingly been undertaken or commissioned by governments, universities, specialized research institutes, and NGOs. Several different (although linked) areas of research have fed into the social protection debate, including pro-poor growth theories; the economics of information; the famine and entitlement theories; literature on markets and public action; humanitarian relief; economic analysis of cash and in-kind approaches; and livelihood analysis.

Drawing from this rich and diverse panorama of research, social protection aims providing a national agenda for smoothly shift from a chaotic collection of social programmes to an institutionalized system able to (i) tackling vulnerability upfront by anticipating predictable shocks, and (ii) making emergency responses more development-oriented. Additional approaches also conceive social protection as an opportunity for implementing socially transformative policies.

That said, three notes of caution are needed. Firstly, available analytical definitions are not unanimous in defining what social protection should achieve and what set of policies and programmes it should include. This is reflected in different analytical frameworks, unresolved caveats and possible implicit biases. Questions also arise on whether there is an ongoing tendency of repackaging old-fashion interventions with new trendy labels. Secondly, the general tendency of moving away from a narrow focus on social safety nets to a more holistic approach to social protection doesn’t entail that safety nets should be overlooked. They still play a fundamental role, especially for the poorest groups. Following Haddad and Frankenberger (2003, p.2), “…safety net transfers are not just residual to the growth process - they should be an integral part of a growth strategy”. Thirdly, there seems to be a tendency of considering risk as the only causal driver in explaining vulnerability and poverty dynamics. While risk plays an important role in shaping our understanding of poverty, it is important to recognize the limits of a mere risk-based analysis, especially in chronically poor areas.

Hence, there are not only challenges in narrowing actors’ perceptions on the theme, but also in articulating a comprehensive framework that places social protection as an organizing framework – a platform able to gather actors and build synergies between approaches in order to better plan national development. While arguing that social protection has such potentiality, this article alerts that social protection has to face institutional, policy and operational challenges. For example, while mounting research has been undertaken on single social protection components, less attention has been paid on exploring possible synergies between such components, thus making the system more cohesive. This article takes stock of thinking about social protection, identifies future challenges, and lays out research priorities for throwing light on ten thematic areas that need further investigation.

The next paragraph critically reviews recent thinking on vulnerability. Paragraph three then explores what is new in the social protection agenda and how it is placed in addressing vulnerability. Paragraph four looks at ways for better integrating safety nets into broader social protection strategies, while paragraph five concludes.

2. Vulnerability, Risk and Non-Risk Factors
In recent years, the concept of vulnerability has stimulated new analytical refinements and original empirical research which have greatly contributed to a better understanding of the processes that lead to poverty. Vulnerability arises from a complex web of economic,
political and social conditions (see figure 1), a process of cumulative conditions which vary over time and space depending largely on the changing processes through which individuals, households and communities fulfil their immediate subsistence needs and invest in medium and long reproduction of their social system (WFP, 2002; Alwang et al., 2001; Siegel and Alwang, 1999).

While complexity underlies such a definition, ‘living on the edge’ provides a graphic image of the livelihood circumstances that the vulnerability definition conveys. Living on the edge evokes the sense of a small push sending a person or people over the edge, and it is just this knife edge between ability to survive and thrive, and sudden loss of ability to do so, that vulnerability seeks to describe (Ellis, 2003). However, assessing vulnerability is like “trying to measure something that is not there, making the search for a visible reference point a difficult task” (Webb and Harinarayan, 1999, p.298). In fact, while there are concepts that have a standard to refer to (e.g anthropometrics measures), vulnerability can be addressed only by adopting a relative approach without referring to a defined benchmark or ‘gold standard’ (Hoddinott and Quisumbing, 2003; Ligon and Schechter, 2002; Maxwell et al., 1999).

Vulnerability needs to be defined in relation to specific threats, and the concept per se can be analyzed through a wide set of related but not identical lens (e.g. vulnerability to income poverty, malnutrition, or natural disasters), which may affect different people in different ways, times and magnitudes. Single measures of deprivation are ex-post and atemporal, usually treated in static, non-probabilistic terms (Barrett and McPeak, 2003). They capture the basic information on present conditions, while vulnerability seeks to capture the underlying causal processes that led to the actual status, and which are likely to influence future conditions (Lautze et al., 2003). According to Frankenberger (2003, p.21), “poverty and food insecurity are essentially static concepts whereas vulnerability is dynamic and describes how people move in and out of poverty and food insecurity. [They] often are a snap-shot in a point in time that will not be able to capture dynamics of the vulnerability dimension”.

Much research has been carried out on vulnerability, especially with an economic/entitlements lens aspects. This body of research documents that vulnerability can
be lessened through effective risk management strategies\textsuperscript{iii} aimed at (1) reducing the exposure to risks, (2) increasing in the ability to manage risks, or (3) both (Haddad and Frankenberger, 2003). While (1) enshrines the likelihood that individuals or households will be affected by a shock (i.e. the realized risk), (2) captures individual’s or household’s ability to manage such threats - either before or after they occurred (Heitzmann \textit{et al.}, 2002; Holzmann and Jorgensen, 2000). Risks and shocks are not the same phenomena because not all the risks materialize and hit people. However, when they do (and for whom they do) they become a shock which can be analyzed from many different points of view” (Morduch and Sharma, 2002; Tesliuc and Lindert, 2002; Davies, 1996). Some risks cannot be actually eliminated (e.g. most of the natural ones), while other risks can be de facto eradicated (e.g. malaria). Then – and in particular in the case of natural disasters – the burden of risk management often relies on the active provision of effective instruments to “to find a way to live with these phenomena” (ISDR, 2002, p.5). This means that “even when a prime mover in famine is a natural occurrence such as floods or droughts, what its impact will be on the population would depend on how society is organized” (Dreze and Sen, 1989, p.46). In other words, “enhancing resiliency does not mean reducing the number of shocks. [...] Reducing vulnerability rests on helping communities better manage the many risks that they face on a daily basis” (Webb and Rogers, 2003, p.8). Also Devereux and Sabates-Wheeler (2004) argued that “…if rather than focusing on risk as an exogenously given factor to be managed, vulnerability is conceptualised as emerging from and embedded in the socio-political context, then our attention would no longer be focused on how to design a policy so that various groups face less risk in a given context, but on how to change this context to minimise risk for a range of vulnerable groups” (p.6).

On the risk management side, three broad classes are usually identified, namely ‘prevention’, ‘mitigation’ and ‘coping’ strategies (Heitzmann \textit{et al.}, 2002; Holzmann and Jorgensen, 2000, 1999; Alderman and Paxson, 1992). While prevention and mitigation strategies are both ex-ante (i.e. undertaken before the risk materializes), the prevention ones reduce the probability of the shock from occurring, whereas mitigation strategies are aimed at reducing the potential impact of the shock when it occurs, for example through portfolio diversification or insurance mechanisms. Such ex ante risk management strategies may come at high cost. For example, Walker and Ryan (1990) found that households in semi-arid areas of India may sacrifice up to 25% of their average incomes to reduce exposures to shocks. Therefore, effective public action that reduces such costs and makes ex ante options more accessible is highly recommended.

On the other hand, coping strategies – undertaken to relieve the impact of shocks once they occurred – may even be more costly than the ex ante ones. These ex-post strategies, now widely documented, usually concern the depletion, erosion and dis-saving of financial, physical, human and natural capital. Poor households may be unable to fully cope or recover from a shock, becoming even more vulnerable to the next shock. Their asset holdings may be minimal (in the extreme case they may have not accumulated assets for their entire lifetime) and thus may be are rendered destitute by the smallest income loss, running the risk of irreversible damages to their wealth base. Following Maxwell and Frankenberger (1993, p.29), “coping may be a misleading positive word, implying that food insecure households survive period of high risk unscathed: in fact, households may survive only at cost of significant impoverishment”.

136
Many related concepts belonging to various economic branches (such as risk attitudes, decisions under uncertainty, portfolio management, income and consumption smoothing) have been applied, and important insights have been provided for understanding poverty dynamics under subsistence constraints (Zimmermann and Carter, 2003). Indeed, a growing body of literature is now showing that the poor is not an homogeneous group, and that vulnerability is a key-factor in scrutinizing, for example, the distinction between chronic and transitory poverty. Part of the literature shows that, on the one hand, the transitory poor are usually considered highly dynamic (move in and out a fixed benchmark) – they are the so called ‘vulnerable’ (to a worsening condition). At this point one would expect the chronic poor to be ‘highly vulnerable’, but apparently this is not echoed in many studies (Holzmann and Jorgensen, 2000). Indeed, the chronically poor are implicitly considered more static, even if they still have a transitory component (Jalan and Ravallion, 2000). From this perspective, they are considered trapped into their day-by-day constraints, static and hence less vulnerable. In reality, they are often moving ‘up and down’ well below a defined threshold, and what makes them even more vulnerable to starvation than the transitory poor is not only the tiny distance from a survival line, but also the downward trajectory that they often show. With the terminology of Hulme and Shepherd (2003), this may be the part of the ‘always poor’ with a pattern similar to the ‘descending’ households’ one (see figure 2).

Figure 2. Poverty Dynamics

Source: Hulme and Shepherd (2003)

This trend represents a slow-but-inexorable erosion of assets over time, causing the collapse of the resilience capacity of entire communities, which for example was the case of Malawi (CARE, 2003b). However, while the extent to which the always poor are also descendent remains an empirical question, the more attention should be paid on the vulnerability of chronic poor households.

While there are different frameworks for conceptualizing vulnerability and risk management – which often trigger different approaches to social protection – important common themes are emerging (CARE, 2003a; Young et al. 2002; World Bank, 2001a). For example, considerable analytical and empirical attention has been deserved on ways to lift household far enough above a survival line to enable them to engage in riskier but higher-return activities, in particular for livelihoods diversification – a niche particularly
developed under the sustainable livelihoods framework (Cannon et al., 2003). Following Webb and Rogers (2003, p.16) “…recent work on diversification serves as a useful bridge between work on agricultural intensification and poverty alleviation, on the one hand, and risks, shocks, and vulnerability, on the other”. A particularly exciting field of research is investigating ways to reduce barriers to entry and better include the poorest into such niches (Webb et al., 2002; Dercon, 2001; Hashemi, 2001; RESAL, 2000). A recent body of literature is arguing that while risk plays a very important role in explaining poverty dynamics, it may not the only factor to be considered. So if vulnerability is merely analyzed in terms of risks, the understanding which emerges will at best be partial (CPRC, 2004; Barrientos and Shepherd, 2003). Risk analysis can’t often take into due account the structural factors and processes that underlie poverty in general, and chronic poverty in particular; these factors include the discrimination and stigma affecting particular social or linguistic groups, categories of people (such as poor disabled, older, orphans or widows), and the poor’s exclusion from economic and political participation through isolation and voicelessness (Bird and Pratt, 2004; Bird et al. 2002). In other words, vulnerability should be complemented with other analytical approaches that provide additional insights to risks (Barrientos et al., 2005).

Following Barrientos and Shepherd’s discussion on the lives of the chronic poor (2003, p.7), “… it is likely to be grinding, relentless poverty and deprivation and the day to day relationships and experiences that structure their lives which shapes their behaviors just as much as, if not more than calculations of risk”. Therefore, a more comprehensive understanding of vulnerability needs to balance risk factors and consequences (i.e. risk exposure, risk realization, inability to manage risks, shock impact and behavioural change) and non-risk factors. This more holistic interpretation can also be expressed as follows:

\[ \text{Vulnerability} = f [RF(r,s,m); NRF] \]

This simple model considers vulnerability as a function of – on the one hand – risk factors (RF) which include risks (r), shocks (s), and the ability to manage R and S (m); on the other hand, the model also sets out the importance of considering social, religious and political factors that fall under the so called non-risk factors (NRF). The next paragraph investigates how social protection strategies are placed in responding to the challenges raised by this broader interpretation of vulnerability.

3. Old and New Directions in Social Protection.

Policy makers, academics and practitioners often equate social protection with terms such as welfare, social security, safety nets or social insurance mechanisms. While these terms might be part of the social protection equation, individually they are not equal to social protection per se. Following Devereux and Sabates-Wheeler (2004) and consistently with a broad conceptualization of vulnerability, social protection is here defined as “all public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalised; with the overall objective of reducing the economic and social vulnerability of poor, vulnerable and marginalised groups” (p.9).

Social protection is now conceptualized as an overarching framework that goes beyond mere transfers and toward comprehensive policies (Shepherd, 2004; GTZ, 2004; WFP, 2004a; Devereux, 2003; Van Ginneken, 2003; World Bank, 2001a). In the past, social
protection systems have been often perceived as costly policies that merely perpetuate dependency among beneficiaries, and public action was increasingly called to limiting the scope for interventions to “what is feasible” rather than “what is desirable” (Alderman and Haque, 2005; Barrientos, 2005; Ravallion, 2003; Smith and Subbarao, 2003; Haddad and Zeller, 1996). The social protection panorama was characterized by a ‘projectization’ of social protection, and safety nets alone have often been expected to reduce chronic vulnerability in a context where households’ coping capacity was already overwhelmed (Devereux, 2003). Lessons learned on the ground and new empirical evidence suggest that the enhancement of resiliency among vulnerable households require a more comprehensive approach to social protection. While examples of the projectization approach are still present (and probably are the norm in many countries), today social protection provides an agenda for making a smooth transition from the chaotic collection of humanitarian projects to a more institutionalized system that protects against risk and non-risk factors, and moves the centre of its activity to the government (Devereux, 2003; TISA, 2002).

Conway and Norton (2002) argued that ‘what is new’ about the concept of social protection is the link it makes between social assistance and wider objectives such as vulnerability, growth and rights. Following Barrientos and Shepherd (2003, p.3), today “the challenge is whether and to what extent or in what way a narrow approach to social protection developed in the 1990s and designed predominantly to prevent the poor from becoming destitute can also play a role in creating conditions for persistently poor people to emerge from poverty, and can even interrupt some of the structural patterns which maintain people in poverty”.

The new discourse of social protection recognises that in the absence of effective collective arrangements to manage risks, individuals and households are forced to engage in micro-level, informal risk management strategies which frequently impose very high costs. Public interventions by the governments act on risk management systems that already exist, and the objective of such interventions should therefore be to support functional behaviour and institutions and weaken dysfunctional behaviour and opportunities (Shepherd, 2004; Conway and Norton, 2002). In other words, the function of public risk management strategy would be “to combine the best of private strategies with various public transfer programmes” (Webb, 2003a, p.16). Therefore, effective policymaking requires a nuanced understanding about the poor’s temporal decision framework and the way they allocate resources over time, so that transfers can crowd-in sustainable benefits to their livelihoods. This crucial quantitative and qualitative information is provided by sophisticated diagnostic products such as WFP’s Vulnerability Analysis and Mapping or World Bank’s Risk and Vulnerability Assessments. These tools can in fact reveal very much on households’ sources of risk, the ability to manage them and the social relations that shape poverty patterns.

While these important features are present in almost all the empirical work on social protection, there are differences in the interpretation of social protection across institutions reflecting in large measure their particular backgrounds, specific priorities as well as theoretical and operational approaches (GTZ, 2004; ILO, 2004; WFP, 2004a; Conway and Norton, 2002; ADB, 2001; Norton et al., 2001; World Bank, 2001a). In particular, the World Bank’s Social Risk Management (SRM) framework has been at the center of some analytical disputes. Certainly, the SRM framework has many merits, not last it enriched the social protection discourse with concepts such as uncertainty, asymmetric information and uninsured risks. In other words, it “drawn together and systematized a large body of pre-
existing work on vulnerability and risk with more recent thinking on the relationship, at the macro level, between risk management and the prospects for growth and poverty reduction” (Conway and Norton, 2002, p.534). It has also significantly contributed to pay more attention to the multiple social protection providers and to expand thinking from ex-post to ex-ante measures. With the words of the World Bank (2003a, p.15) “social protection and the way it is conceived underwent significant changes: from an afterthought to economic and human development it has moved to its center and is likely to stay there”. However, criticism to this framework exists. For instance, the SRM’s concentration on just income poverty is one of its most cited conceptual fallacies (MacKinnon, 2002). Devereux and Sabetes-Wheeler (2004) also argued that the SRM reflects a limited conceptualization of vulnerability, does not explicitly address the chronic poverty, concerns itself predominantly with formal social protection strategies, and encourages a limited role for government in social protection provision. In addition, it seems that the SRM implicitly considers the chronically poor as non-vulnerable, as opposed to the vulnerable-transitory poor who may seen as more economically active potential contributors to the growth process (see previous paragraph). Farrington (2005) noted that the World Bank presents its SRM framework largely as a “win-win” scenario in which social protection protects people against sliding into poverty, and at the same time allows increased entrepreneurial risk-taking by providing social protection: “many of these [SRM] interventions are conceived as a “trampoline” to allow those producers who face temporary setbacks to “bounce back” into the productive economy. There are very few efforts to bring those largely outside the productive economy into it – along something of a trajectory from situations in which they mainly rely on social protection, to one in which they benefit more from livelihood promotion”. Moreover, building on the mounting evidence gathered in recent years, guidance and analysis on comparative advantages of food and cash transfers could be further developed, given its importance for designing a more fluid shift between social protection components (Barrett and Maxwell, 2005; Del Ninno et al. 2005; Harvey, 2005; Harvey et al. 2005; Hoddinott et al. 2004; Oxfam, 2004; Devereux, 2002b; Rogers and Coates, 2002; Tabor, 2002).

Social protection arrangements could facilitate and promote the socio-economic and political inclusion of marginalized groups. As noted by Shepherd (2004), social protection needs to include measures “... that increase the chances that individuals and households will be in a position to contribute positively in future, otherwise its proponents could be accused of perpetuating poverty on a massive scale” (p.9). The author also highlighted that SRM’s presumption that prevention, mitigation and coping strategies are enough to automatically recover from shocks is empirically not well grounded, as a “risk of non recovery” has been documented and needs to be taken into account (Christopolos et al., 2004; Bird and Shepherd, 2003).

From a static point, social protection frameworks in developing countries are based on three basic pillars: social prevention, social insurance and social assistance. Social prevention policies comprise the set of instruments aimed at both preventing risks from occurring and creating the legal environment for social and economic development. Social insurance options include two main classes, namely ‘truly’ insurance mechanisms (i.e. paying a premium and getting a payout when a predefined event occurs), and portfolio diversification opportunities. The social assistance pillar includes two elements that are often confused: safety nets and welfare mechanisms. While the safety nets are targeted to the chronically poor able to actively work, the welfare ones are aimed at better serving chronically poor people
who are nor able to do so (e.g. elderly or chronically sick), or maybe socially marginalized. Building on the work by Devereux and Sabates-Wheeler (2004), “…other forms of ‘social protection’ would address distinct problems of ‘social vulnerability’, not necessarily through resource transfers, but through delivery of social services, and through measures to modify or regulate behaviour towards socially vulnerable groups” (p.9). The next paragraph will analyze more in depth safety nets’ static and dynamic effects and objectives.

4. Mainstreaming Safety Nets into Social Protection
During the past decade, there has been a widespread disillusionment with social safety nets which were criticized as costly welfarist mechanisms that reduced the poor to passive recipients of handouts and made little contribution to sustainable poverty reduction and growth. Safety nets’ association with the “adjustment with a human face” approach doesn’t play a minor role in creating scepticism around this term (Devereux, 2003). People often perceive safety nets as ‘re-packaged old solutions’, as naïve approaches to poverty, or in extreme cases as a way of transferring western models into developing countries’ realities; even the term itself may evoke negative images – poor people engaged in dangerous acrobatic exercises. This article takes into account all these relevant concerns, but also tries to not be sceptical ex ante, and attempts to throw light on the substance of the concept.

Social safety nets have been particularly highlighted in the development agenda after the 1990 World Development Report, which defined social safety nets as “forms of income insurance to help people through short-term stress and calamities” (World Bank, 1990, p.90). During the following years there has been an increasingly tendency to use interchangeably the term ‘social safety nets’ with the broader concept of ‘social protection’. For example, Subbarao et al. (1997) defined safety nets as “programs which protect a person and household against two adverse economic outcomes in welfare: chronic incapacity to work and earn (chronic poverty) and a decline in this capacity from marginal situation that provides minimal means for survival with few reserves (transient poverty)” (p.2). Also Haddad and Zeller (1996) assumed that “in the broadest sense of term, social safety nets are synonymous with social security which encompasses social insurance and social assistance functions” (p.2). From a static point of view, safety nets are income and consumption transfers for the able-bodied chronic poor who cannot positively cope with shocks caused by uninsured risks. However, safety nets should be already available before shocks occur – they should be designed during good times. This is particularly important for the discussion in the next paragraph on the need for more predictable safety nets and the related potential developmental gains.

In general, safety nets can be cash-based or food-based. While an extensive analysis of the advantages and disadvantages between cash and food goes beyond the scope of this paper, but it’s worth to acknowledge that while the debate has focused very much on the ‘food vs. cash’ debate, guidance on the right balance between the two remained empirically underdeveloped. Table 1 offers a flavor of the comparative advantages of cash and food transfers.
In a more dynamic perspective (over time), it is difficult to find out safety nets that may not have second-round effects in terms of, for example, social insurance or welfare\textsuperscript{xxiv}. In fact, also a World Bank (2001a) claimed that “…in most developing countries today, risk management emphasizes interventions after a disaster strikes. (…) Safety nets put in place before adverse shocks hit can serve both risk mitigation and coping purposes”. The longer run offers a more comprehensive safety nets analysis in terms of degree, where safety nets range from welfare-oriented to more prevention-oriented transfers. This means that safety nets should be a way of providing support, rather than just a set of transfers.

In dynamic terms, food-for-education programmes (including school feeding and take-home rations) may be more prevention-oriented due to the relation between education and capabilities. An excellent example of mitigation-oriented safety nets is provided by food-for-training programmes, particularly in Bangladesh\textsuperscript{xxv}. These programmes address the unique constraints faced by the ultra-poor, enable people to join opportunities otherwise inaccessible, offers pathways out of poverty and serves as a bridge between risk coping instruments (food aid) and risk mitigation opportunities (microcredit). Another example of mitigation-oriented safety nets is provided by cash-for-work programmes, in particular when aimed at building assets to mitigate the effect of covariate risks\textsuperscript{xxvi}. Examples of welfare-oriented safety nets may be the provisioning of fortified foods to poor lactating or pregnant mothers, or to food aid transfers to orphanages in poor communities. Also targeted near-cash transfers (i.e. subsidies, stamps and vouchers) may represent an example of welfare-oriented safety nets.

The literature documenting the multiple safety nets functions is rich (Coady \textit{et al.}, 2004; Morley and Coady, 2003; Subbarao, 2003; Alderman, 2002; Barrett, 2002; Devereux, 2002a; Rogers and Coates, 2002; Tabor, 2002; Castaneda, 2000; Subbarao \textit{et al.} 1997; Grosh, 1994). For example, one of the most important and documented objectives that safety nets pursue is consumption smoothing. However, evidence shows that pursuing this objective has been documented to have an impact in contexts of high poverty mobility (Zimmermann and Carter, 2003; Baulch and Hoddinott, 2000; Jalan and Ravallion, 2000; Yaqub, 2000; Sinha and Lipton, 1999; Morduch, 1995). The problem then is whether safety nets are the best instruments in situations of endemic, ‘structural’ and widespread poverty. In other words, the difference between different livelihoods profiles may not only be tiny in theory, but even blurred in practice.

\begin{table}[h]
\centering
\begin{tabular}{|l|l|l|}
\hline
\textbf{Food Transfers} & \textbf{Cash Transfers} & \textbf{Cross-Cutting Themes} \\
\hline
Where administrative capacities are weak & Where administrative capacities are in place & - Programme objectives \\
Where markets are disrupted & Where markets are working efficiently & - Market analysis \\
Groups with higher MPC food & Less costly to manage & - Food availability \\
Easier to target & Easier to combine with near-cash options & - Timing \\
Empowering women & Are tangible and enable choice & - Administrative capacity \\
Can be enriched with microcredit & Monetary multiplier effects & - Robustness of delivery mechanisms \\
Less prone to diversion to non-food consumption objectives & & - Cost efficiency \\
\hline
\end{tabular}
\caption{Food vs. Cash: An Overview of Comparative Advantages}
\end{table}

\textit{Source:} Barrett and Maxwell (2005); Del Nino \textit{et al.} (2005); Harvey (2005); Harvey \textit{et al.} (2005); Dwyer et al. (2002); Coady \textit{et al.} (2004); Hoddinott \textit{et al.} (2004); WFP (2004a); Webb (2003a); Tabor (2002); Pfeiffer \textit{et al.} (2001); Castaneda (2000).
Also Barrientos and Shepherd (2003) argued that countries where chronic poverty is more of a residual phenomenon are probably in the best position to address the issue through redistributive policies. On the other hand, countries where there are large numbers of chronically poor may have least resources and capacities to develop and implement relevant policy frameworks. In these contexts the chronically poor and food insecure are more likely to benefit from more naïve welfare-oriented programmes (e.g. universal subsidies or basic health services) which may seem as old-fashioned but are de-facto much needed (Devereux, 2003; Ravallion, 2003). As mentioned in the previous paragraph, many governments are facing the “Catch-22” of social protection – the greater the need for social protection, the lower the capacity of the state to provide it. Underpinning to this situation is that where risk management instruments are most needed may not be where returns to investment are highest (Webb and Rogers, 2003; Bird et al. 2002; Ravallion and Wodon, 1997). Fiscal unaffordability, lack of information, structural asset deficit, low administrative capacity are all identified as binding constraints in very poor countries (Barrientos, 2005; Grosh, 2005; Smith and Subbarao, 2003). These two tendencies – increasing social outlays and fiscal contraction – tend to happen in concert, limiting Government’s ability to expand programmes at critical times and making social protection programmes pro-cyclical and counter-cyclical, as they effectively need to be (Alderman and Haque, 2005).

Nonetheless, complementarities with the productive sectors are possible, and experiences are emerging on how to make humanitarian programmes more developmental (USAID, 2003; CARE, 2003a; Haddad and Frankenberger, 2003; Carucci, 2002). Following Devereux (2003, p.9), “[new strategies] require a more holistic view of social protection than is usually adopted, and implies making strong linkages with ‘developmental’ policies without neglecting the immediate needs of the vulnerable”. Mounting evidence is also revealing strong linkages with growth (Farrington, 2005; Ravallion, 2003; Farrington and Gill, 2002). Social protection’s focus on both ex-ante measures (its developmental part) and ex-post response (its humanitarian part) can potentially help to both addressing the causes of long term vulnerability and dealing with the “Catch-22” itself.

However, the reality of many shock-prone, chronically poor countries is that relief and development can and often do occur in the same spatial environment at the same time (TANGO, 2004a; Macrae and Bradbury, 1998). In addition, operational difficulties are exacerbated by what Bradbury (1998) calls ‘the creeping process of normalization’ of crises in Africa and by complex political situations (Ali et al. 2005). That’s why the relief-to-development framework adopted in the 90s has not been effective - its sequential nature did not reflect the reality in the field and didn’t provide a clear way to proceed from emergency programs to development-based activities, and vice versa (Harmer and Macrae, 2004). The challenge that social protection has to face in shock-prone settings is that “…chronic vulnerable populations require interventions that are stable and multi-year. Right now many programs are either large scale emergencies, which don’t see productive results, or smaller scale development programs, which don’t reach significant scale” (TANGO, 2004, p.12). Institutionalizing a social protection system provides an opportunity to transition from haphazard responses to shocks to nationwide system for risk and non-risk management.

For the poorest, the transition aims to move away from ad hoc, unpredictable relief to national safety nets that deliver timely, multi-year, guaranteed and predictable transfers. Providing predictable and multi-year transfers may expand households’ temporal decision framework, and by leveraging on their perception of risk guaranteed transfers may encourage
to undertake higher return activities that incur in some risk (Dercon 2004; World Bank, 2001a,b).

By mainstreaming safety nets into the social protection agenda benefits may be twofold. On the one hand, this approach may result in a more developmental and cost-effective approach to relief. For example, Owens and Hoddinott (1999) estimated that the redistribution of relief aid given to Zimbabwean households in 1995-96 as development aid in 1992-93 would have reduced the incidence of poverty by 6% and its’ severity by 9%: “…cuts in development budgets to fund relief operations are therefore likely to incur in an opportunity cost in terms of forgone poverty reduction”. With the words of Shepherd (2004), “partnerships between humanitarian organizations and parts of the state designed to take up the social protection mandate could ensure a degree of accountability to ordinary people, if the process is designed with accountability in mind” (p.13). On the other hand, social protection interventions seem to better respond if organized as a cross-cutting theme and when spread across a range of policy sectors rather than as one-sector approach (Grosh, 2005). This is what Norton et al. (2000) meant when they affirmed that social protection “is more appropriately perceived as a perspective” (p.69). Farrington et al. (2003) explored this issue with the lens of potential synergies between agriculture and social protection, and argued that “there is substantial unexploited scope for introducing the perspectives of the one into the design and implementation of the other”.

New promising experiences are emerging worldwide where predictable safety nets are often explicitly designed to promote graduation of households out of chronic poverty, while the graduation itself will be further maximized as safety nets are integrated into the national social protection schemes. Examples include the recent Ethiopian Productive Safety Net Programme, Afghanistan’s Livelihoods and Social Protection Public Investment Programme and Malawi’s Joint Integrated Safety Net Programme (World Bank, 2005, 2003b; GoM and DFID, 2002; TISA, 2002). While the overall direction looks promising, most of these strategies are at the very first stages of implementation, therefore caution is needed in making fast conclusions.

5. Conclusions and a Ten-Pillar Research Agenda
This paper argues that in principle social protection can generate synergies in the narrowly defined sense of making the whole greater than the sum of its parts. Importantly, a social protection platform could be the basis for a common analytical floor, actors are more likely to ‘speak the same language’, development and relief programmes could be more supportive rather than competitive, and efforts are more likely to not be duplicated. From this perspective, new experiences are emerging worldwide. However, while new empirical research has greatly contributed in better shaping our understanding of poverty causes and dynamics, social protection has to face many challenges in the coming years, and a number of specific knowledge gaps still need to be fulfilled.

In particular, this article highly recommends a holistic research agenda that better explores a number of areas and provides viable operational guidance on the ground. Further research can help meet this challenge by better exploring the following ten key thematic areas: (i) the sequencing of shocks, better identification of non-risk factors and how they generate vulnerabilities (e.g. particular attention could be paid in developing an analytical alternative to the transitory/chronic poverty approach for shock-prone, structurally-poor settings); (ii) identifying the extent to which social protection can be mainstreamed across different
ministries; (iii) piloting innovative approaches for identifying synergies between different social protection components, thus making the ‘system effect’ more cohesive; (iv) throwing light on the specific design of social protection strategies in countries at a different stage of development, and in different areas within a given country (i.e. marginalized, remote rural areas); (v) how to better enshrine programmatic aspects on unexpected shocks; (vi) how to smoothly integrate humanitarian efforts into national social protection strategies; (vii) links between social protection and rights-based approaches; (viii) identifying more predictable mechanisms for financing counter-cyclical safety nets and better institutionalizing them in donor structures; (ix) more investigation is need on whether there are ‘trajectories’ from destitution to engagement with the productive sectors and how social protection can better complement the productive spheres; finally (x) advocacy efforts are also needed to ensure that social protection is adequately covered in national poverty reduction strategies.
References


Ellis F. 2000. “Rural Livelihoods and Diversity in Developing Countries”. Oxford University Press.


Hashemi S. 2001. “Linking Microfinance and Safety Net Programs to Include the Poorest. The Case of IGVGD in Bangladesh”. CGAP, Focus Note No.21, Washington D.C., USA.


End Notes

1 World Bank (2003a).
2 It is important to highlight that this paper deals with poverty because much of the empirical work has been undertaken in relation to this dimension, especially on the dynamics during time (Dercon, 2004; Skoufias and Quisumbing, 2003; Chaudhuri et al., 2002; Sumarto et al., 2000). However, food insecurity is a crucial dimension to be considered in poor countries. While recognizing that poverty and food insecurity are related but not identical, important lessons can still be drawn and applied to the food insecurity context.
3 Risk management is one way of reducing vulnerability. Others are by changing class/caste relations or by increasing political empowerment, as showed by figure 1. The paragraph reviews such issues when analyzing the so-called ‘non-risk’ factors.
4 Distinctions can be made between various types of shocks: ‘natural’ (e.g. flood) or ‘manmade’ (e.g. war); ‘subjective’ and ‘objective’, where the former is based on the decision-maker perception about the probabilities of events and outcomes, while the latter is based on reliable data; ‘idiosyncratic’ or ‘covariate’, where idiosyncratic shocks are household-specific (e.g. the death of the family head), while the covariate are more widespread and affect communities or regions (e.g. drought); ‘single’ or ‘repeated’ shocks, where the difference lies in the recurring nature, also referred to as the degree of autocorrelation between shocks following one another (e.g. drought followed by sickness); ‘temporary’ or ‘permanent’ shocks, depending whether or not they perpetuate across seasons or years; ‘catastrophic’ and ‘non-catastrophic’ events, where the former occur with low frequency/severe effects (e.g. disability), while the latter with high frequency/non-severe effects (e.g. transient illness); and finally, ‘predictable’ and ‘non predictable’ shocks, depending by the degree of uncertainty surrounding the risk. However, different types of shocks should not be analysed as compartmentalized strands, but in a holistic way. For example, recent evidence from rural Indonesia shows that a covariate shock of economic nature has caused idiosyncratic nutritional outcomes (Block et al. 2004).
5 For example, extensive multidisciplinary research reveals that conservative or even inert entrepreneurship that traps its practitioners into low risk/low return activities is not necessarily evidence of their irrationality, incompetence or backwardness, but may well be a manifestation of a finely balanced survival algorithm. Analyzing qualitative data from Ethiopia, India and Uganda, Mosley and Verschoor (2003, p.25-26) suggested that “…hit after hit after hit will lead to a depletion of the (physical, human and social) capital buffer and thereby to an increased probability of income poverty in any given year, and thereby to an increased probability of chronic poverty. Chronic poverty itself, through its reign of terror on health and strength, self-esteem and optimism, reinforces the risk avoidance that is prescribed at any rate by a long-term survival strategy. Avoidance of risky investment opportunities that offer an escape from poverty completes the circle”.
6 Transitory poverty is defined as a temporary inability to meet basic needs or smooth consumption levels due to periodical and cyclical fluctuations in incomes or unexpected temporary shocks. Households that persistently face deprivations over a significant timeframe (conventionally 5 years) are considered chronically poor (Hulme and Shepherd, 2003). Chronic poverty is strongly associated with structural disadvantages that are difficult to quickly reverse, typified by lack of assets, high
dependency ratios, residence in remote locations, working in low-return occupational categories and chronic sickness and/or social barriers (CPRC, 2004; Bird et al., 2002; McKay and Lawson, 2002). Some of the chronic poor may remain in such conditions for most of their lifetime and may transmit income and related deprivations to next generation (Moore, 2001).

These situations often happen outside the circuits of the highly-visible emergencies. That’s why they are also called ‘daily silent emergencies’ (Webb, 2003b).

Diversification patterns reflect individual’s voluntary exchange of assets and their allocation of assets across various activities with different risk profiles so as to achieve an optimal balance between expected returns and risk exposure (Dercon, 2004; Barrett et al., 2001; Block and Webb, 2001). Thus, in theory, the situation faced by rural households can be linked to that of an investor considering a range of opportunities and aiming at building up a portfolio of assets, and “…rural families increasingly come to resemble miniature highly diversified conglomerates” (Toulmin et al, 2000, p.10). But why do the poor diversify? We can distinguish between “push” and “pull” factors. The former concerns the limited risk bearing capacity in presence of rural market failures, and this create the incentive to select a portfolio of activities in order to stabilize income and consumption. In other words, livelihood diversification is a strategy for reducing risk and a response to diminishing factors returns. The “pull” factors comprise a strategic integrations and complementarities between activities (i.e. crop-livestock production integration), and specialization according to comparative advantages (i.e. proximity to urban areas creates potentialities for production-expenditure linkage activities). The themes of diversification and its multiplier effects are also present in the food policy literature, and recent work on the rapid rise of supermarkets in developing countries is a point in case (Maxwell and Slater, 2003; Reardon et al., 2003).

Interestingly, this debate seems to follow the causal distinction between ‘individualists’ and ‘structuralists’ schools of thought made by Humphreys in his historical review in 1997.

For example, social security is often associated with public transfers provided by advanced public systems in developed countries. However, Shepherd (2004) developed a definition for social security in developing countries, namely as a specific subset of social protection programmes, namely the one formally provided. This is consistent with the fact that informal social protection in developing countries is extremely important.

However, this does not mean that in certain circumstances ‘pure’ transfers without any reciprocity are inappropriate (e.g. the welfare component of table 1, presented later in the paragraph). Moving from narrower social assistance programmes to broader social protection strategies doesn’t deny the importance of social assistance per se, but does emphasize the need for expanding the policy perspective (and consequent operational linkages).

Intuitively, the level of complexity for designing and implementing effective risk management programmes drastically increases in chronically food insecure environments.

For example, a very interesting workshop was organized by the Overseas Development Institute with the aim of laying out the broad conceptual and strategic issues involved in the definition of social protection strategies taken by donors (Norton et al., 2000). The major outcomes were some of the key-issues in current thinking about social protection issues, namely that: (a) a broad range of potential actors and partnerships needs to be explored, and it’s essential that international agencies collaborate; (b) it is crucial that a social protection perspective is developed in a way that facilitate and stimulate a productive dialogue with the government for help guide choices, prioritizing and sequencing interventions, better clarifying and mapping the capacities of different actors with regard to different social protection tasks, and enabling national ownership of the programmes; and (c) the institutionalization of social protection in donor structures is strongly needed.

It is often argued that public action should obviously not ‘crowding out’ informal risk management mechanisms, which however – in certain and well defined circumstances – may seem a contradiction when the objective is to stimulate a behavioural change (e.g. lessening risk aversion). Following Conway and Norton (2002, p.537), “… the rationale for state action to reduce households’ exposure to
risk and to help ameliorate the effects of shocks which do occur is at least partly to provide, through more efficient and equitable collective arrangements, a less onerous means of protection against vulnerability. (...) Furthermore, state action may also include ‘crowd in’ other transfers”.

For instance, how to base a social protection strategy – whether on needs, rights, or risks – is of serious concern, but in the actual scenario there is also room for optimism, as recently demonstrated by Devereux and Sabates-Wheeler (2004). Indeed, the authors showed that a combination of the three elements into social protection frameworks seems feasible. They advocate for a ‘transformative’ role for social protection – “where ‘transformative’ refers to the need to pursue policies that relate to power imbalances in society that encourage, create and sustain vulnerabilities” (p.9), so that the role of social protection is extended “to arenas such as equity, empowerment and economic, social and cultural rights rather than confining the scope of social protection to targeted income and consumption transfers” (p.3).

Further refinements distinguish between formal (public or market-based) and informal (individual or group-based) social protection providers. The latter is particularly relevant in the developing countries.

Interestingly, the authors argued that “…if rather than focusing on risk as an exogenously given factor to be managed, vulnerability is conceptualized as emerging from and embedded in the socio-political context, then our attention would no longer be focused on how to design a policy so that various groups face less risk in a given context, but on how to change this context to minimize risk for a range of vulnerable groups”.

Also Conway and Norton (2002) noted that “… the World Bank approach to social protection can be seen to focus mainly on social insurance, and to leave somewhat underdeveloped the discussion of social assistance” (p.535).

The analysis of cash and food transfers has been a recurrent theme in the humanitarian agenda. Recent research patterns are going toward a more detailed and comprehensive analysis of food aid’s impact; at the same time new experiences are accumulating on innovative cash pilots, both in emergencies and non-emergency settings. Assuming the hypothetical case that both cash and food are available for a programme, deciding whether to use one or the other is not an easy task. Recent evidence suggest that when markets are not integrated, reliable infrastructure are not be in place, administrative capacity is weak, food availability is insufficient, effective demand for food is lacking and malnutrition is at high levels, then it may be the case to have a food-based programme, turning to a cash-based when conditions are appropriate to enable such switch. In fact, if it is the case that markets can be made to function more effectively – by improving information flows, reducing transport costs, improving contract design and enforcement mechanisms, making entry easier into food markets and distribution – then over time, the need for direct food transfers in particular should fall. While many of the comparative advantages of cash and food transfers are now generally known, less attention has been paid on how to better combine these two options, and how to better design a smooth sequencing of interventions. Given the different vulnerability profile of people and areas in developing countries and the need to provide a diversified response according to different risks and needs, I would argue that in given circumstances cash might be a better option, food might comparative advantages in others, and that moreover they can be harmoniously and simultaneously implemented as part of countries’ social protection system.

Of course, the ‘developing countries’ group is not homogeneous. As WFP (2004a) and Shepherd (2004) rightly pointed out, different social protection frameworks are present in different countries accordingly to their stage of development.

However, as mentioned in the previous paragraph, transfers for those who cannot engage fully in productive activities have to taken in due account.

The emphasis on the ‘uninsured’ risk is important. It underpins not only that chronic poor people may not have the capacity to insure against many types of risks, but also that this definition is for safety nets during ‘normal’ times. Indeed, when unpredictable covariate shocks hit large portions of a
population, safety nets should be flexible enough to temporarily expand to reach those (e.g. transitory poor) who may have insured against risks, but now have lost everything and are desperately in need.

Building on what was argued in the note number 19, it is important to bear in mind the crucial role played by adequate non-food resources for complementing food-assisted programmes and ensuring that delivery can be guaranteed to the most remote areas (Webb, 2003a).

This also confirms the overlapping nature between Guhan’s social protection measures.

An example is the Income Generation for Vulnerable Group Development (IGVGD) programme, jointly run by WFP, national NGOs and the Bangladeshi Government. Using food provisioning as a leverage, training in savings and microcredit is offered to ultrapoor women, thus diminishing their opportunity costs to participate and overcoming the barriers to entry in micro-enterprises initiatives. Considerable impact and success is reported from several studies (Matin and Hulme, 2003; Hashemi, 2001; RESAL, 2000; WFP, 1997). However, there is still scope for improvement in the programme design (Webb et al., 2002).

Public works in general – at the community level or not, with a wage paid in cash or in-kind (food) – can pursue a wide range of objectives. If the asset to be constructed is a road that can better connect markets, than public works may have Guhan’s promotional effects. When for instance they are aimed at achieving positive environmental outcomes, then they may be more prevention-oriented safety nets (see for example WFP’s MERET project in Ethiopia).

An interesting body of literature is now showing that competitive rates of return in terms of both growth and poverty reduction can be offered by relatively less-favoured areas, where however a certain degree of structural investments was already in place - e.g. India and China (Fan and Hazell, 1999).

The fact that these measures are accessible in different moments (ex ante and ex post) should not be confused with the fact that both of them should be put in place before a crisis hit. As already mentioned, safety nets should be designed in ‘good times’.

Risk management is an integrating concept that incorporates both emergency response as well as measures for overcoming chronic vulnerability. This is basically the idea underlying the ‘Development-Relief’ approach for food aid programmes – i.e. that emergency and non-emergency interventions can be implemented harmoniously, and even simultaneously (TANGO, 2004a,b,c).

Bradbury argued that in countries such as Sudan and Somalia, levels of malnutrition that would once have triggered a crisis response come to be accepted as normal, to be dealt with in development terms.

Following De Haan (2000, p.2), “adopting social protection as an organizing framework “helps to re-focus social protection policies, moving beyond a residualist welfare agenda dealing with the negative social consequences of economic changes and transitions, towards holistic approaches that inform the wide range of policies that affect the well-being of the poor”.

A national safety net programme is the long-term objective. In the short-term, resources may be channelled through a number of implementing partners because of national capacity and donor constraints.

These strategies also recognise that a number of chronic poor people will not graduate (e.g. disabled) and for them a welfare-oriented safety net is better suited in addressing their constraints.