



**WORLD BANK GROUP**

Conference on Food Price Volatility, Food Security  
and Trade Policy

## Social Safety Nets

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Social protection and labor practice

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# Outline

1. Defining  
Food security  
Food price shocks and their impact on nutrition  
Safety nets and their impacts
2. Why and how food security and nutrition are important?
3. How social protection, social safety nets and nutrition are linked?
4. Inventory of social safety nets. What are the most promising policies and programs in social protection to achieve better nutrition and improve resilience to food price shocks?
5. Concluding remarks

# Food Security

## Definition:

“all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs, and food preferences for an active and healthy life”

This international definition has four dimensions:

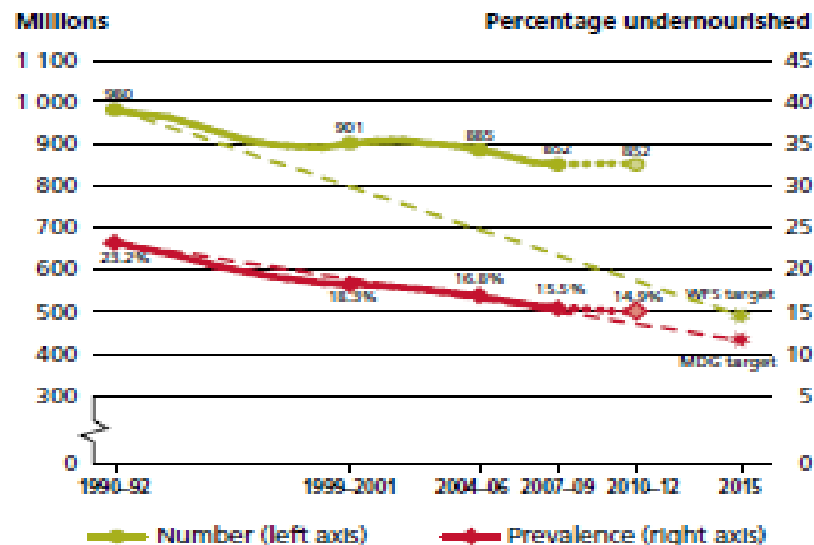
- Food availability
- Access to food
- Stable access to food
- Safe use of food

## Vulnerability to Food Insecurity

(WFP's VAM approach):

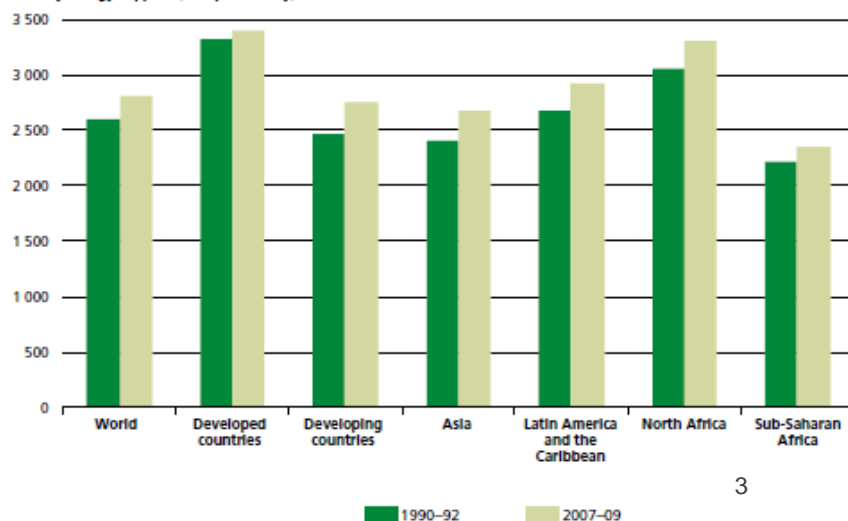
- Risk exposure (e.g. natural disaster)
- Capacity to address food insecurity (e.g., incomes, access to basic services)
- Current situation as part of a historical trend (e.g. past malnutrition and poverty)

## Undernourishment in the developing world



Note: Data for 2010-12 in all graphics refer to provisional estimates.  
Source: FAO

## Dietary energy supplies (kcal/person/day)



# Why global food crisis was so worrismatic?

- Poor already have insecure access to food and poor nutrition outcomes
- Food price volatility affects the poor as consumers (for this group food is large part of the budget)
- They are likely to have spells of food insecurity or sacrifice proper nutrition
- Consequences of interrupting adequate access to nutrition are irreversible for mother and young children (first 1000 days of life)

Globally more than **1 out of every 3** child deaths (<5) are associated with **undernutrition**

Malnutrition reduces school performance:

Well nourished children stay in school 1.2 years longer

Well nourished children have 17% better reading comprehension

Low birth weight children 2.6 times less likely to attain higher education

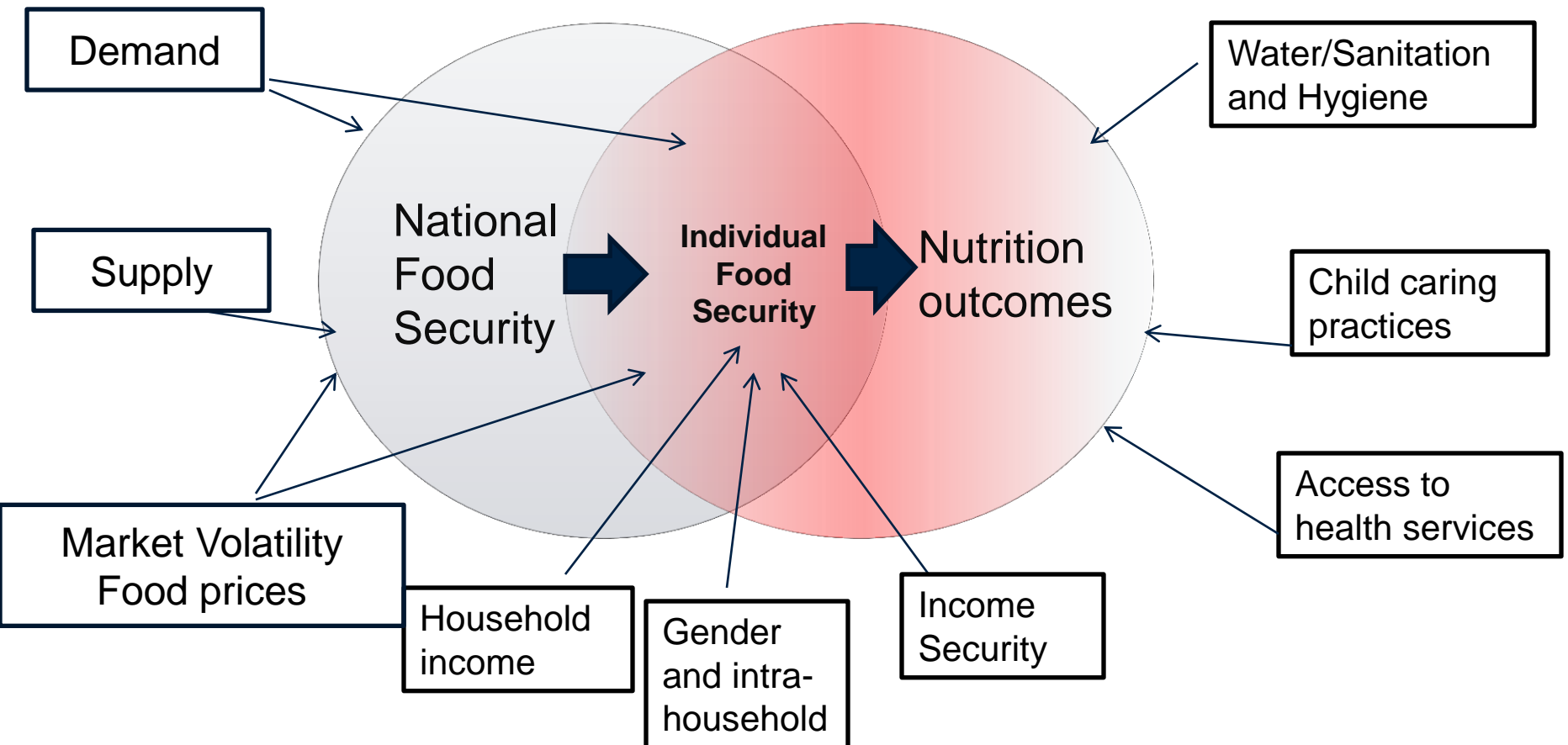
Malnutrition reduces productivity:

Well nourished children had wages in adulthood 34-47% higher and incomes 14-28% higher than malnourished

Anemia (low iron) = 5-17% lower adult productivity

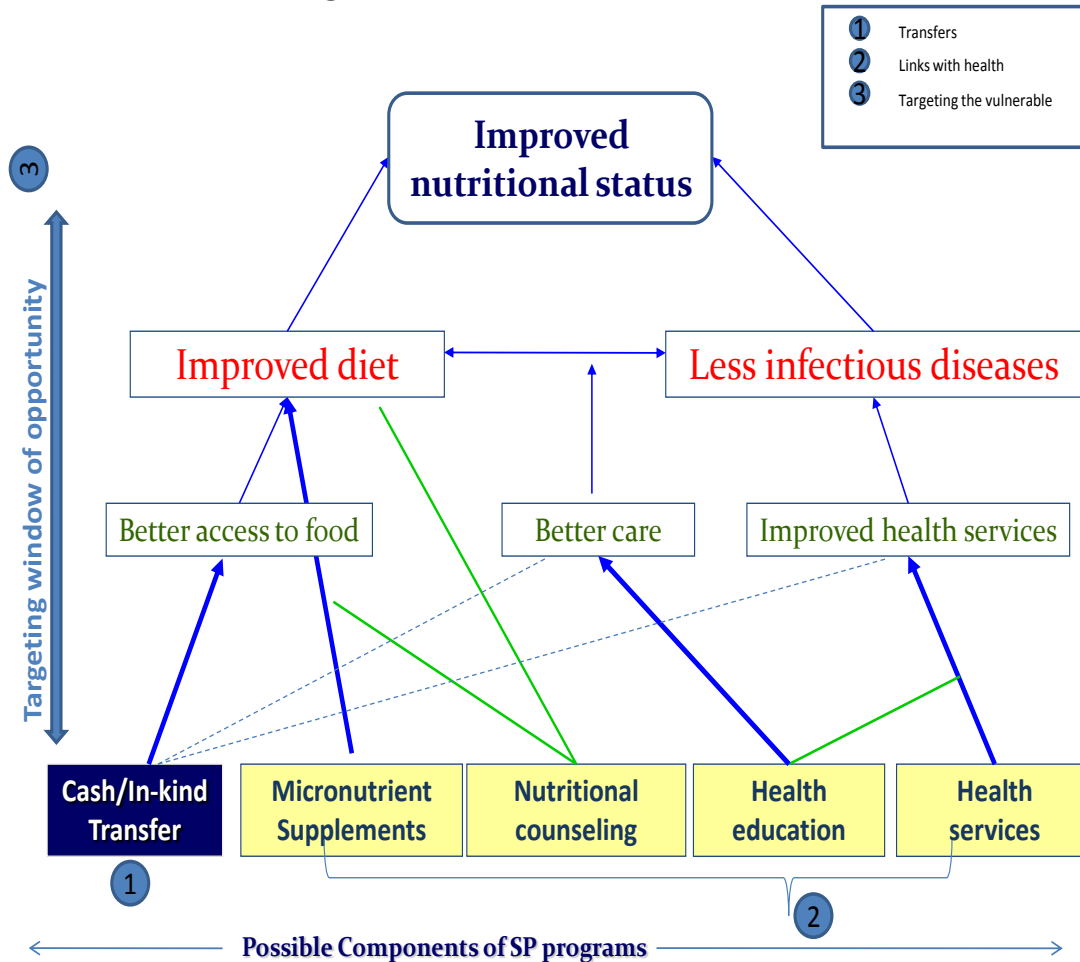
Overall, an estimated 10% of individual lifetime earnings and 2-3 % GDP lost to malnutrition

# National (and global) food security does not guarantee it for all



# The three main pathways through which social safety nets can impact nutrition are:

*Social safety nets are non-contributory transfers designed to provide regular and predictable support to targeted poor and vulnerable people.*

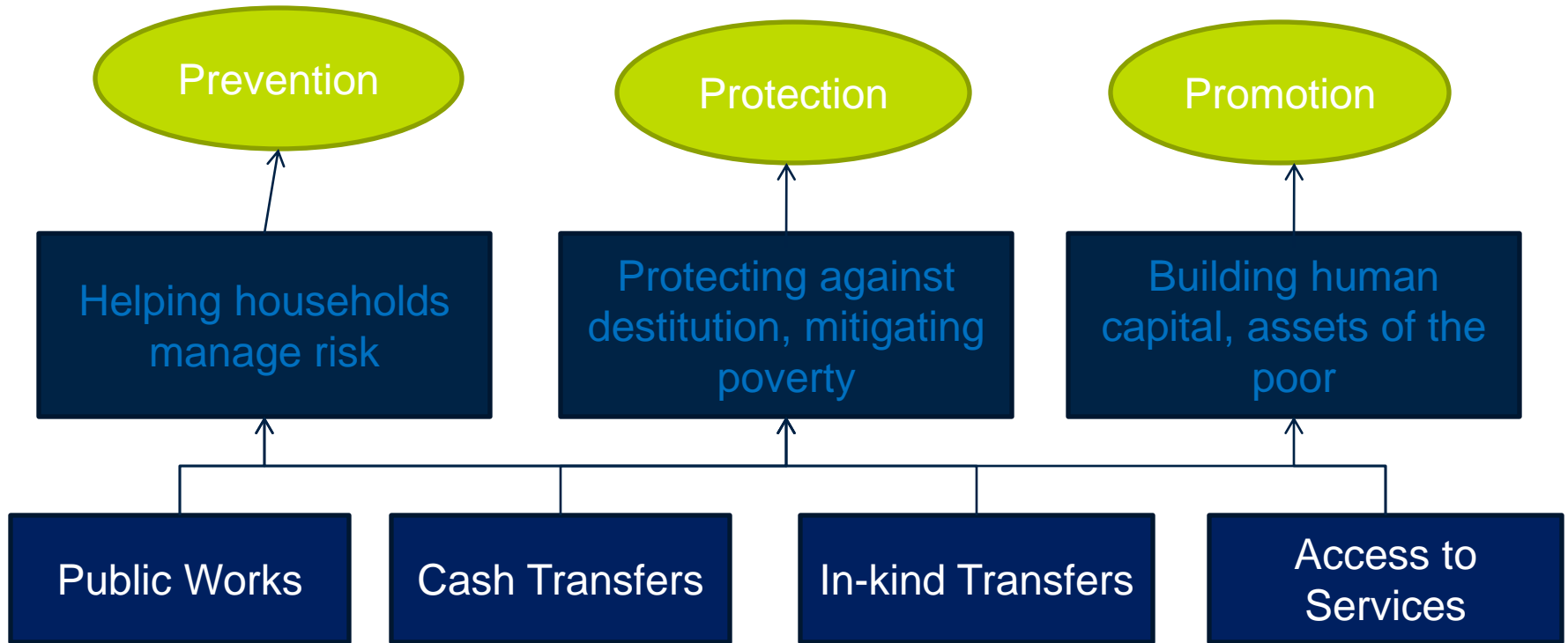


1. Improving income (cash transfer , conditional on unconditional) leads to greater affordability of proper nutrition

...and SSN facilitates household investments in agricultural productivity;) rehabilitates degraded natural environments and results in more effective extension services, and availability of inputs promoting productivity

2. Promoting access and delivery of health services: micronutrient supplements, nutritional counseling, health and hygiene education.
3. Targeting nutritionally vulnerable populations, e.g., pregnant women and young children.

# A Framework for Nutrition Sensitive Social Safety Nets



## Nutrition Sensitive Safety Nets

- Targeting Provide regular transfer to the poor households and vulnerable members.
- Coordinated with health programs, micronutrient supplements, counseling, hygiene
- Examples Include: Conditional cash transfers, Public works, School Feeding,

Disaster response

# Why safety net is the first best response to food price shocks?

## SSNs

- Targeted to those most in need, who tend to use it on essentials (food consumption)
- Essentially pure income transfers, do not create distortions of markets (unlike price/food market interventions/subsidies no substitution effects by lowering prices to everyone, including the well-off)
- Multiple design options (conditional, unconditional, PWs)
- Flexibility
- Performance/evaluation track record

## Food versus cash: new wave of robust IEs (new SPL paper)

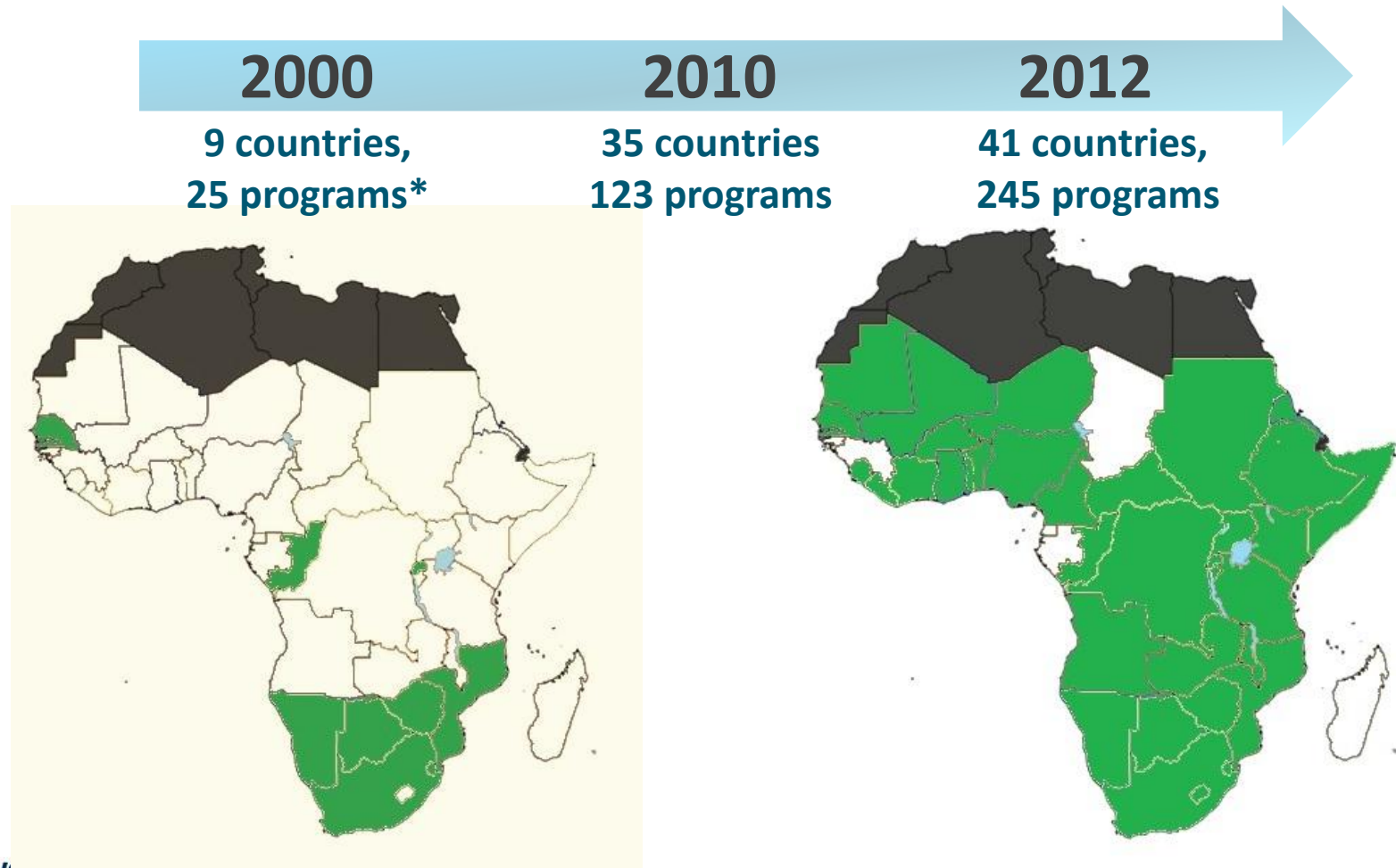
- Similar average impacts on a range of food security measures
- Cash at least twice more efficient than in-kind food.
- Better cost-effectiveness methods are a key priority

Hence the choice has to be informed based on cost-benefit analysis and multiple co-existing channels need to be coordinated:

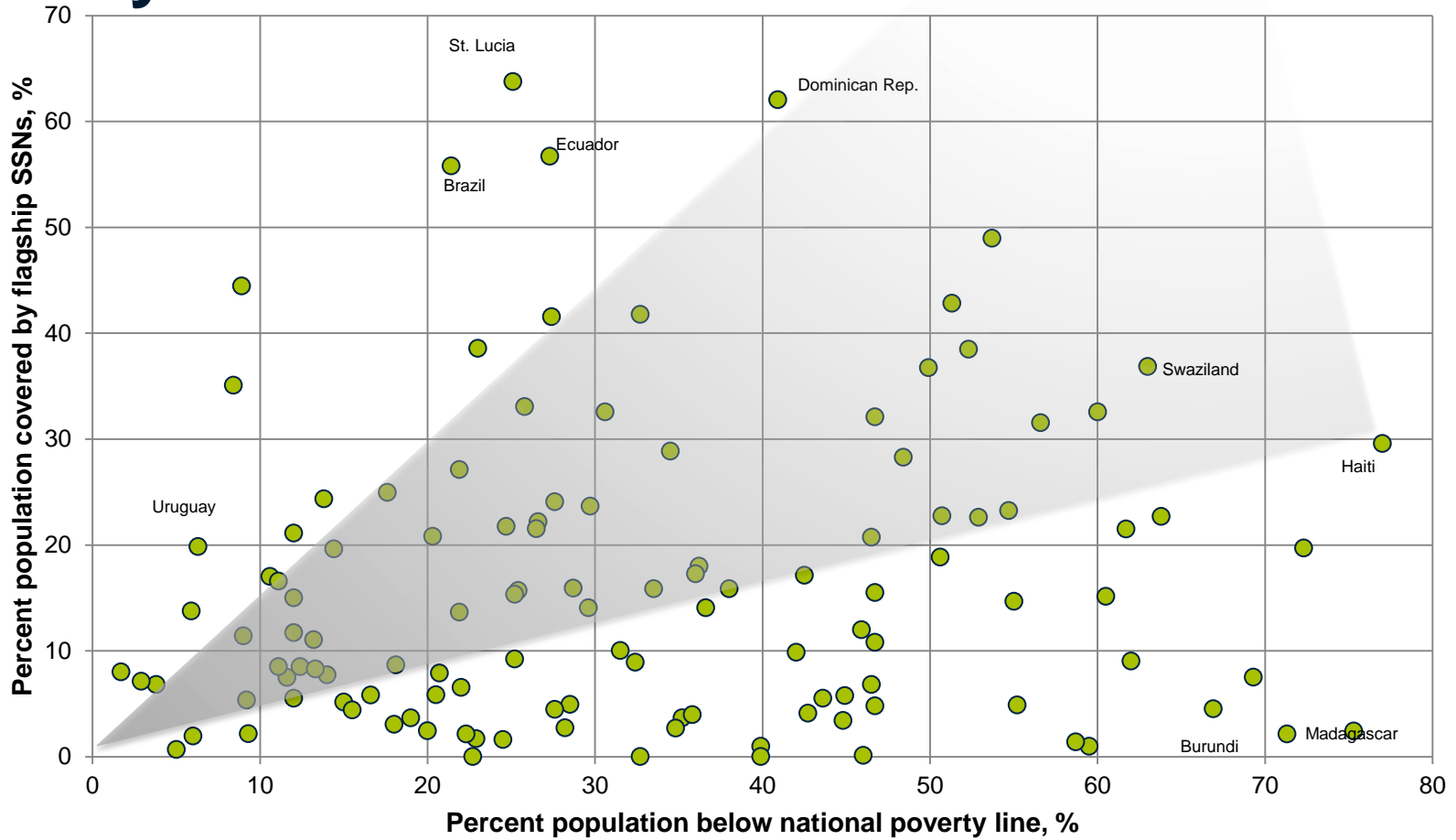
1. Improving income: which form of transfer does it with minimum cost, does not create perverse incentives and enhances productivity?
2. Which form is promoting access and delivery of health services/ change behavior or control over resources within a household?
3. Targeting nutritionally vulnerable populations, e.g., pregnant women and young children.



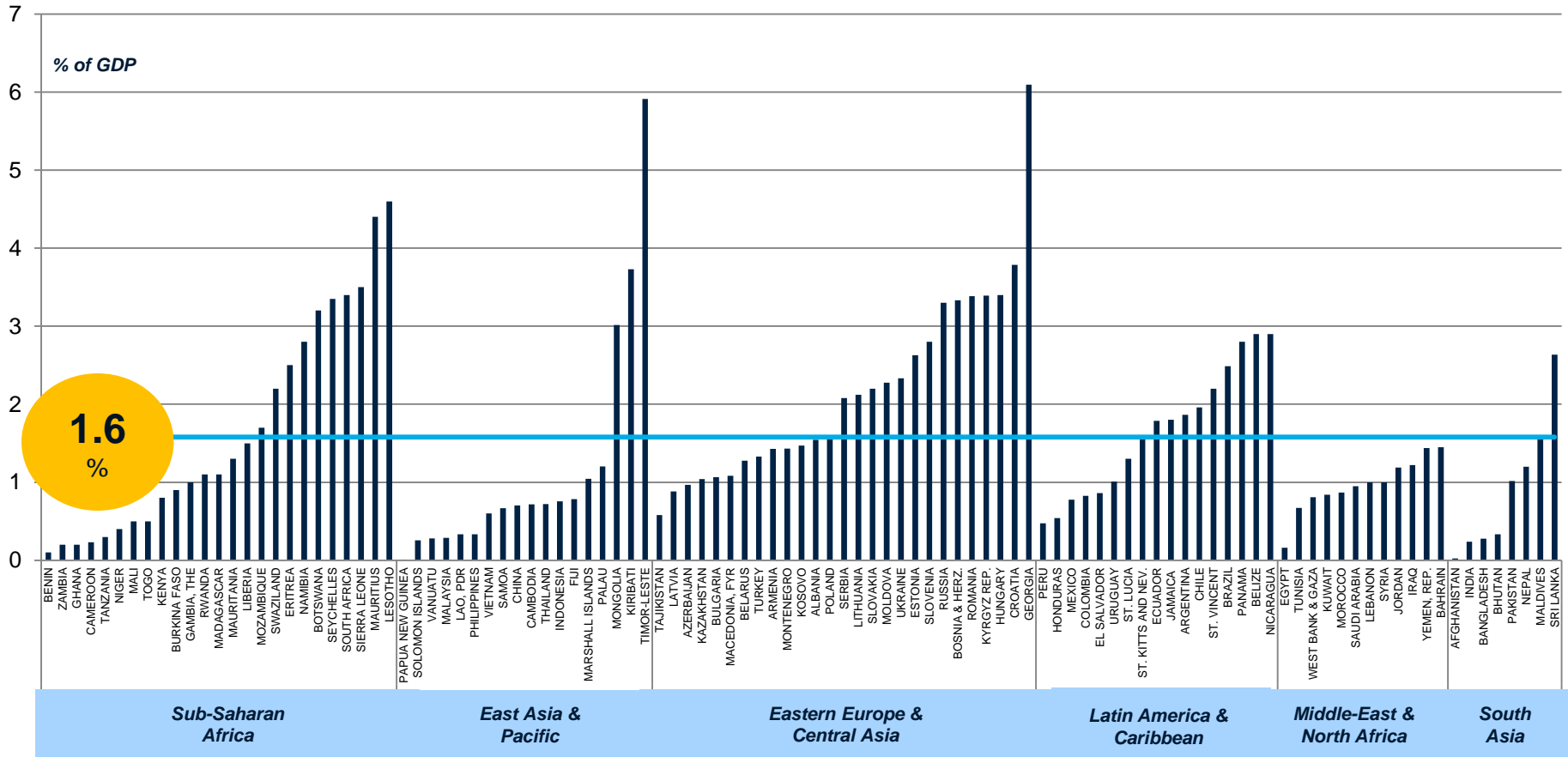
# There has been a surge in activity in launching safety nets, even where they were missing



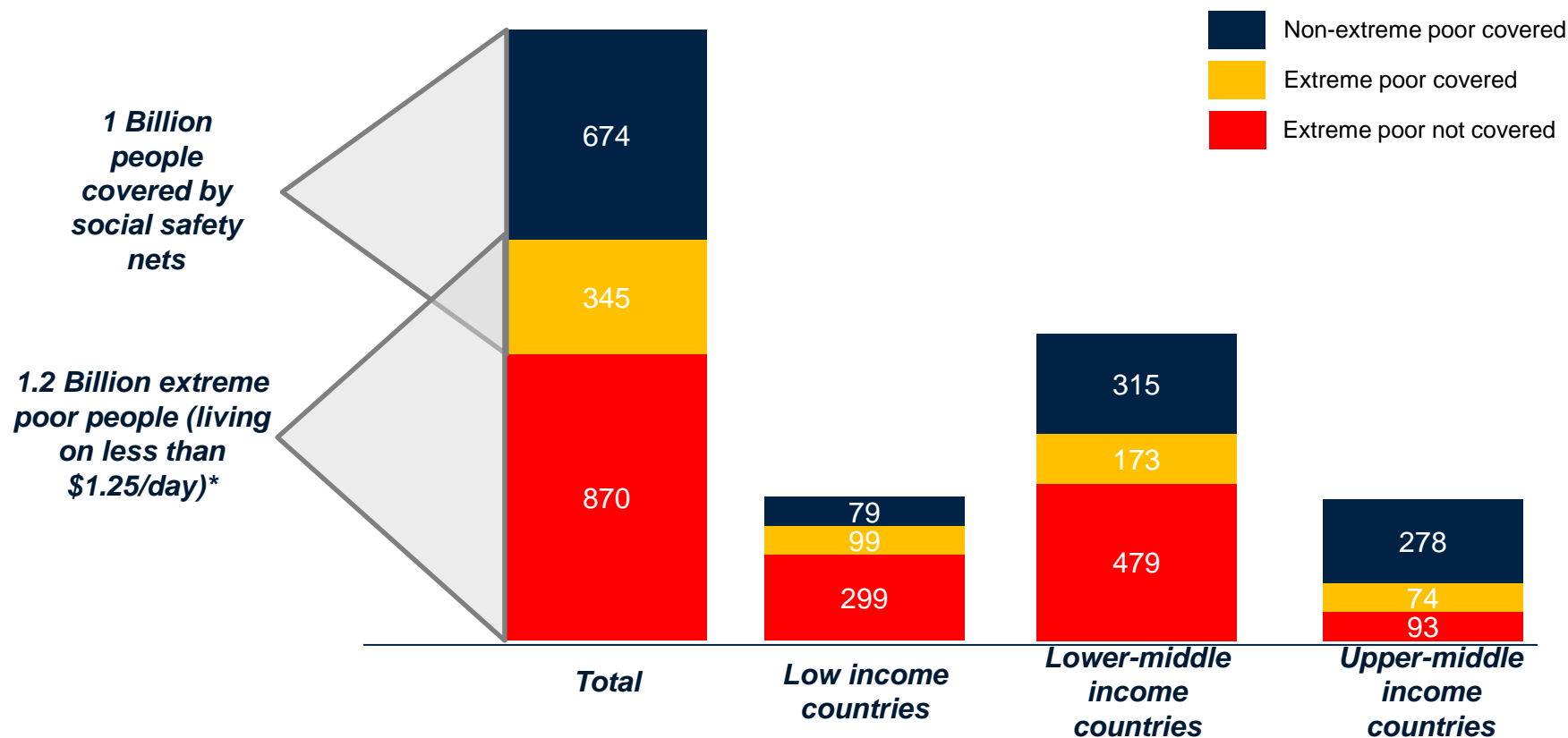
# At country level huge spread in coverage of safety nets



# Spread is reflecting spending (SSN to GDP), but globally comparable to poverty gap

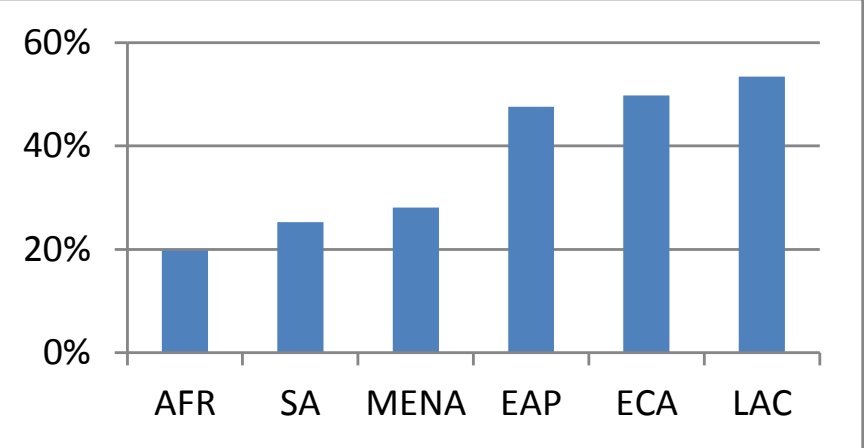
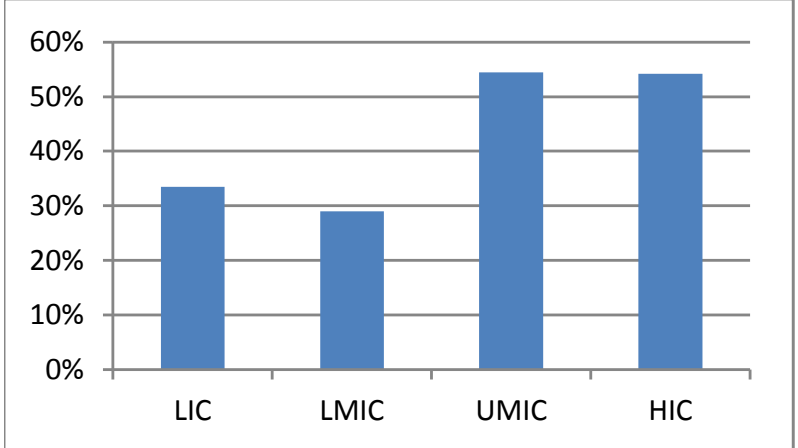


# Are Safety Nets Up to the Challenge of Protecting the Poor against Food Price Shocks? ...but glass 'one-third full'

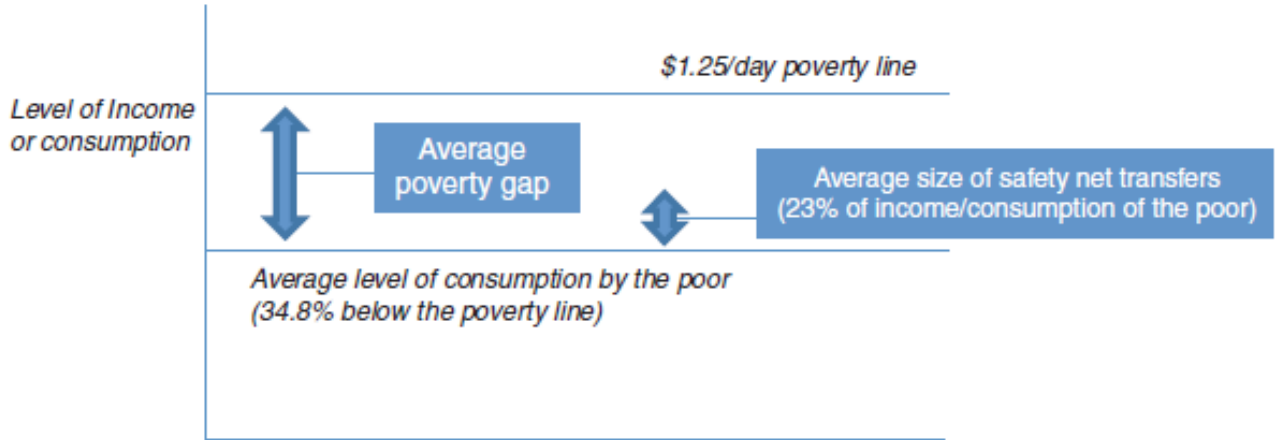


# Challenge of targeting and adequacy

**Figure 4: Percent of Poorest Quintile Covered by Safety Nets, by Income and Region**

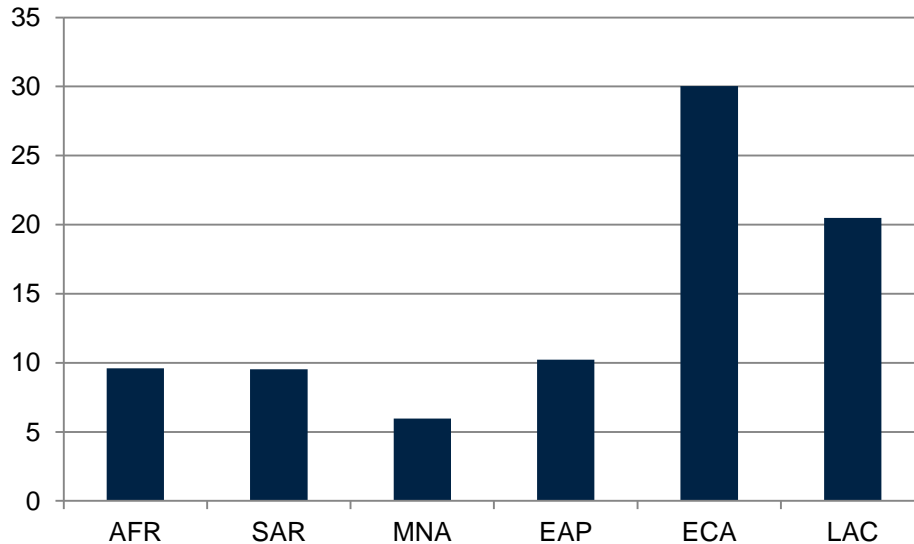


**FIGURE 19** The Average Size of Transfers Does Not Fill the Poverty Gap



# Adequacy of transfers: big variation

Social protection transfers as % of Household income



Source: ASPIRE;  
[www.worldbank.org/aspire](http://www.worldbank.org/aspire)

- Scale of impact of food price shocks on households is below typical SSN transfer generosity (10-20% of consumption for recipients)
- =>Cash transfer will improve welfare of the poor and the distribution
- =>Cash transfer can compensate the poor for the loss of purchasing power, and stabilize their demand for food
- The size of transfers in the developing world is small enough not to worry about perverse effects
- Social protection is needed anyway to protect from future shocks

# Key design issues

## Safety nets

- Need to be adequately targeted
- Efficient, low cost, not creating perverse incentives
- Well governed and well administered

## Five main questions for the effective crisis response

- 1) in what form provide the assistance (cash, in kind, subsidy) ?
- 2) whom to target? Chronic poor/transient poor
- 3) what is adequate level of support? Is the objective stabilize or graduate from poverty?
- 4) for how long it has to be provided and how it will change over time?
- 5) how it has to be linked to other programs and policies?

## Mexico's *Oportunidades*: pace of expansion

Year	Beneficiaries (families)	Budget
2002	300,000	
2003	1,500,000	
2004	2,306,600	
2005	2,476,000	
2006	3,116,000	
2007	4,240,000	
2008	4,300,000	
2009	5,000,000	
<b>2010</b>	<b>6,500,000</b>	<b>US \$5.4 billion</b>

***\$5.4 bln. may seem a lot, but this is 0.4% of Mexico's GDP***

Source: SEDESOL, Mexico 2011



# Innovations in social safety nets design: common platforms, better information management, ID systems etc.

**Improve  
targeting:  
identification  
(biometrics),  
combination  
of methods**

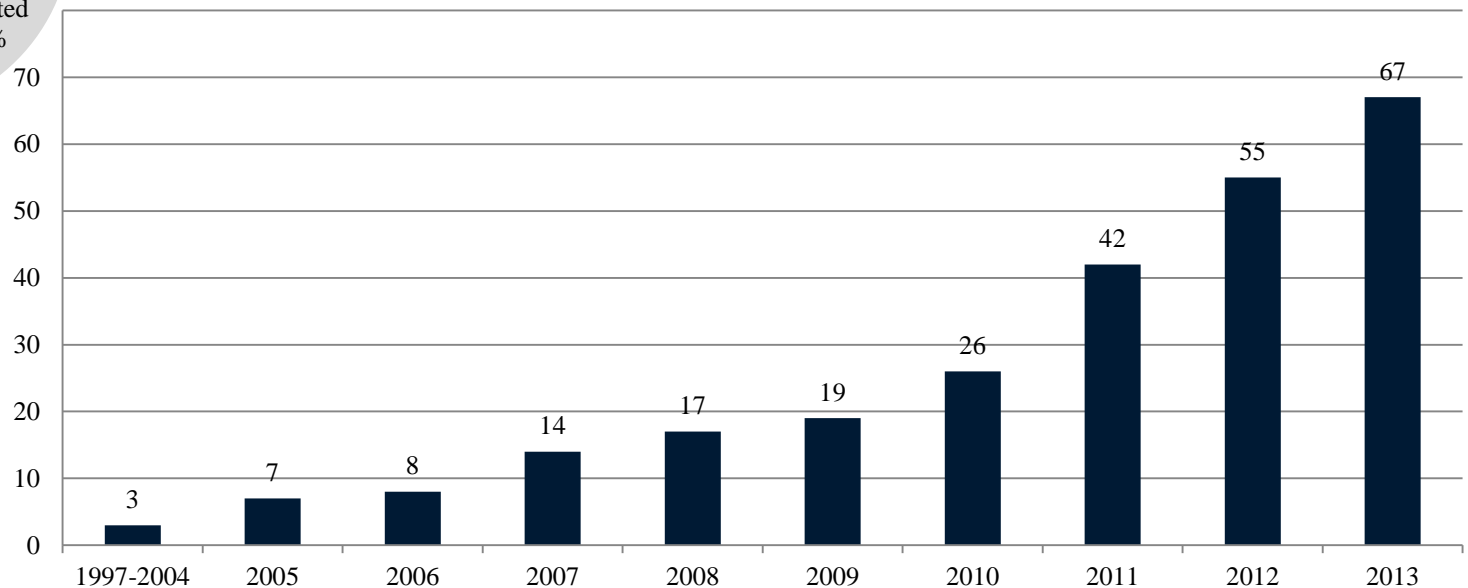
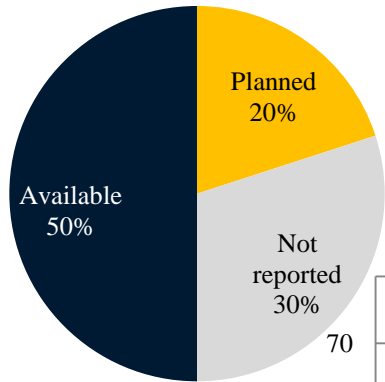
**Single  
Registry of  
Beneficiaries  
and MIS**

**Electronic  
payments to  
deliver  
benefits**

**New  
accountability  
processes  
(feedback,  
grievances),  
M&E**

*Key role of a National Social Protection Policy and  
Strategy to define the fiscal and institutional  
context*

# More countries have social safety net strategies and greater attention to policy coherence...

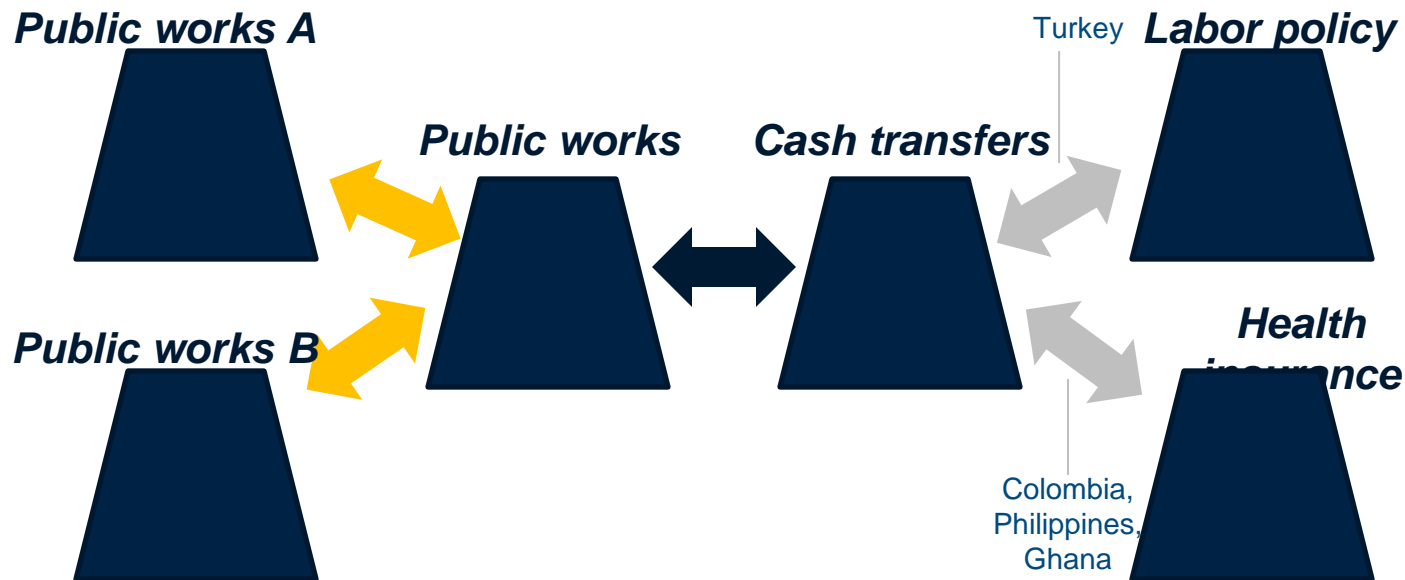


# Systems building agenda

An explosion of common social registries

23 countries + 10 planned

*Contribute* to connecting program objectives and functions



# A growing and tailored evidence base....

	N. of impact evaluations		Distribution by region	
	2010-2013	1999-2010	2010-2013	1999-2010
Africa	35	26	42%	17%
Latin America and the Caribbean	30	96	36%	63%
East Asia and the Pacific	5	12	6%	8%
Middle East and Northern Africa	6	0	7%	0%
South Asia	7	13	8%	8%
Eastern Europe and Central Asia	1	6	1%	4%
<b>Total</b>	<b>84</b>	<b>153</b>		

# Concluding Comments

Social safety nets can provide effective response during the crisis. They are also needed during “normal times” and improve nutrition outcomes by

- (i) providing income security to the poor,
- (ii) promoting growth,
- (iii) influencing behavior through nutrition sensitive social protection,
- (iv) assisting in delivery of nutrition specific health sector interventions

Relatively minor changes in the focus of SP programs can increase the potential to serve this function of improved food security and nutrition

System-wide efforts are needed to achieve greater results with higher efficiency

# Annex

# Examples of Nutrition-sensitive Safety Nets

1. Conditional cash transfers (40 countries, over 150 mln. beneficiaires), some of them with nutrition component and even nutrition-specific interventions integrated into the program (Mexico's CCT model)
2. School feeding: 270 mln beneficiaries in 78 countries
3. Other feeding / in kind food transfer programs (including food vouchers) – almost universal across developing countries, but with widely differing coverage
4. Public works : programs in 50 countries, but only recently started to include nutrition
5. Disaster response programs

# Examples: Conditional transfers may increase the resilience to food price shocks

- Global Experience on CCTs for children shows:
  - Increased use of clinics for preventive health care of children
  - Significant effects on growth monitoring
    - Colombia: 23-33 % points
    - Honduras: 20 % points
  - Mixed results on immunization rates
    - No effects in Mexico
    - Turkey: 14 % points
    - Indonesia: 11%



# A few conditional transfers have prioritized pregnant women

Global Experience on CCTs for women shows:

- Increased number of prenatal visits in **Indonesia**
- **Mexico**'s CCT program raised birthweights and markedly reduced the share of low weight babies. Use of services did not increase but the quality did, likely due to community awareness of what they could expect.
- Payments for clinic deliveries in **India** helped reduce infant mortality