

THE MAKING OF SOCIAL PROTECTION IN ETHIOPIA

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Introduction

Social protection is conceived in several ways and generally interchangeably used with social security, social safety net, social insurance, social transfers, to save lives and livelihoods. In recent years, crop insurance has also been started in rural Ethiopia to assist smallholder farmers fend off against drought. In a similar manner micro and small enterprise and unemployment insurance could be considered in urban areas. International human rights instruments, such as the 1948 United Nations Universal Declaration of Human Rights, have recognized the need for social protection in every country. Its article 22 states that:

- *Everyone, as a member of society, has the right to social security and is entitled to the realization, through national effort and international cooperation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality. It continues further in its article 25:*
- *(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*
- *(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.*

Social protection (or social security) is, therefore, a human right as well as an economic and social necessity. Social protection can play a transformative role in the lives and livelihoods of poor people. Some forms of social protection such as public works and cash transfers can create community assets, stimulate local markets and generate income and employment multipliers. Social protection can also play an important role in the transition out of emergency relief. In situations of chronic poverty and food insecurity, predictable social transfers can assist to address the structural dimensions of hunger and vulnerability and reduce the need for ad hoc emergency relief appeals. For our purpose, therefore,

social protection will be broadly defined as a set of public actions that provide direct support to people to assist them address risk, vulnerability, exclusion and poverty.

Ethiopia's Development Agenda

While United Nations declarations have long recognized social protection as a basic human right, past governments in Ethiopia had not paid attention to it. On the other hand, the present Government of Ethiopia has shown greater commitment in translating this right into policy frameworks, strategies and programmes. The main development agenda of the Ethiopian Government is eradication of poverty, food insecurity and malnutrition. All development policies, strategies and programmes are geared towards this end. The most important innovative initiatives and programmes launched during the last two decades include the Agricultural Development-led Industrialisation (ADLI) introduced in 1994; Sustainable Development and Poverty Reduction Programme (SDPRP) 2002/3-2004/5; Plan for Accelerated and Sustained Development to End Poverty (PASDEP) 2005/6-2009/10; and the on-going Growth and Transformation (GTP) 2010/11-2014/5.

The ADLI launched in 1994 placed smallholder farmers, pastoralists and rural population at centre stage of the development framework. This approach was severely opposed both internally and internationally. But the Government persisted because the smallholder farmers, pastoralists and the rural population as a whole made up some 85% (at least in 1994) of the total population of the country, and firmly believed that a development endeavor that did not put 85% of the population at centre stage wouldn't bring about the desired socio-economic transformation. A development policy framework and its programmes can bring about socio-economic transformation when 85% of the population fully participates, plays a leading role and becomes the main beneficiary. Consequently, during those plan periods, remarkable achievements of economic growth and social development were registered. It is common knowledge now that Ethiopia kept registering more than 10% real GDP growth rate during the last several years. From the perspective of Ethiopia, it is gratifying to note that since recent years, smallholder agricultural development has become a global agenda. Nowadays, any forum organized in Rome - the hub of the United Nations food and agriculture - doesn't pass by without putting emphasis on the need for the development of smallholder agriculture.

Notwithstanding those achievements, Ethiopia continued to suffer from food deficit. Since the 1980s Ethiopia has had to ask international partners to provide emergency food relief for between one million and (at one time) 14 million people. Relief was saving lives, but not livelihoods. Relief was mainly focused on food and unpredictable. Beneficiaries tended to receive food aid as long as eight months later than it was needed. Such delay often than not contributed to the sale of assets and led to greater destitution and vulnerability. On the other hand, there was donors' fatigue by decades of providing relief aid. The Government of Ethiopia was, thus, increasingly convinced by the early 2000s that it needed to move beyond the emergency appeal and break the cycle of dependency of individuals and households on long-term food aid through the safety net or social protection programme. Most international partners were also in support of the move of Government.

Major attention of the Government was thus drawn to the issue of food security. The 2002/3 crisis made the trigger. The 2002/3 food crisis in the country in which 14 million people, the largest number ever, needed emergency support. This crisis prompted action from the government of Ethiopia where in June 2003, it convened a meeting with development partners to explore long term solutions to food security. The result of the meeting was the formation of a 'New Coalition for Food Security', which envisaged a 'food security programme' comprising four elements: resettlement, household asset building, complementary community investment and productive safety net. The Food Security Programme (FSP) was expected to complement the emergency system which still addressed the transitory food insecure population, while at the same time it was aimed at shifting millions of people out of the emergency relief programme, and also enabling them to graduate out of the safety net and into sustainable food security.

While the Government envisaged the Food Security Programme (FSP) to consist of four parts, the international partners accepted the Productive Safety Net Programme (PSNP) but not the other three. The Government, thus, while continued implementing the PSNP with the support of the partners, had to fund these three components itself. Each component will now be discussed. For the purpose of this presentation, while the largest of the components – the PSNP – will be treated as a programme, the other three will be treated as sub-programmes.

Resettlement Sub-programme

As one of the components of the FSP, the Resettlement sub-Programme started in 2002/3 in various Regions, which have, since then, been making concerted efforts to ensure that resettlers attained food security in the shortest possible time. According to reports, considerable progress has been registered during the period in question.

Resettlements were carried out in Amhara, Oromiya, Tigray and SNNP during the period 2003/4-2011/12.

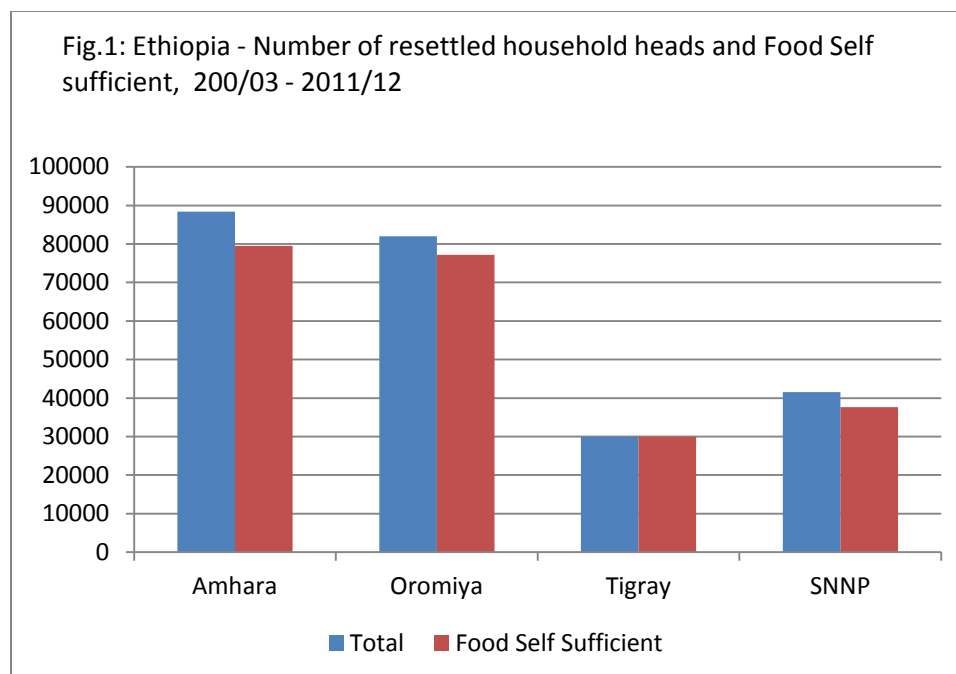


Fig.1 shows the number of resettlers together with those that became food self-sufficient after resettlement in each of the regions. The total resettlers for each region during the period are: 88,399 for Amhara; 82,006 Oromiya; 29,957 Tigray; and 41,541 SNNP. Those who became food self-sufficient in the same order are: 79,487; 77,136; 29,957; and 37,612. In percentage terms, they are 89.9%; 94%; 100%; and 90.5%. The overall resettled total was 241,903, and food self-sufficient overall totaled 224,192, or 93%.

Several factors have to be fulfilled for resettlement to be successful. The first one is availability of land and favourable environment. Secondly, potential settlers have to be willing. Thirdly, the community which new settlers are going to must be consulted and get their consent. The other important factor is availability of the required resource such as finance, material and capacity. Amhara Region continued to resettle households till 2011/12, with an only break in 2010/11. Oromiya, too, resettled households till 2011/12 with a break in 2008/9. The SNNP continued resettling households till 2011/12, but with a break in 2008/9 and 2009/10. Tigray resettled households only during 2002/3-2004/5.

The Productive Safety Net Programme (PSNP)

The PSNP is a large-scale government-implemented social transfer, or social protection, Programme in Ethiopia. It is considered by some writers as the largest social protection programme in Africa. At some point, it had reached over seven million chronically food insecure people. It aims at: 1) smoothing consumption and protecting assets of chronically food insecure households by providing them with predictable and adequate transfer of cash and/or food; 2) stimulating markets, improving access to services and natural resources, and 3/ building community assets such as rural roads, soil and water conservation structures, schools, clinics, through labour intensive public works. The goal to which the PSNP contributes is to assist people to achieve food security. This has to be achieved through combined

efforts of the PSNP and complementary programmes providing access to credit and Promoting Basic Services Programme (PBSP - which deserves a study of its own).

The PSNP is a development programme in the main; however, its capacity has been enhanced through the introduction of two additional systems: 1) the 'dedicated contingency budget', designed to meet the need when the shock is not too large; and 2) a 'risk financing mechanism' (RFM), in order to assist address emergency relief when the need is too large, as a result of drought, floods, high food prices, etc., in the operational areas of the PSNP. The RFM consists of an early warning system, contingency finance, contingency planning, and capacity development elements. The RFM has proven to be an effective instrument which enables an early and preventative intervention before a shock becomes a crisis. It was effective during the Horn of Africa 2011 crisis when Ethiopia made proper use of it to save lives and livelihoods. It prevented households from having to engage in destructive coping strategies during the months leading up to the next harvest. Addressing transitory food insecurity in addition to chronic food insecurity is integral to a sustainable transition from emergency relief to development in Ethiopia.

The PSNP operates through government financial and distribution channels. It is administered through the Food Security Coordination Bureau (FSCB), one of the main departments of the Ministry of Agriculture. It provides a mix of cash and food transfers to beneficiaries, and has two components: a public works conditional transfer component and a direct unconditional transfer component. Beneficiaries get transfers of cash or food through either public works or direct support. About 80-90% beneficiaries are required to contribute to public works. On the other hand, there are households eligible for direct unconditional transfers who in addition to being chronically food insecure, have no labour and no other sources of support. They may include disabled people, orphans, and people who are sick, elderly, pregnant or lactating women.

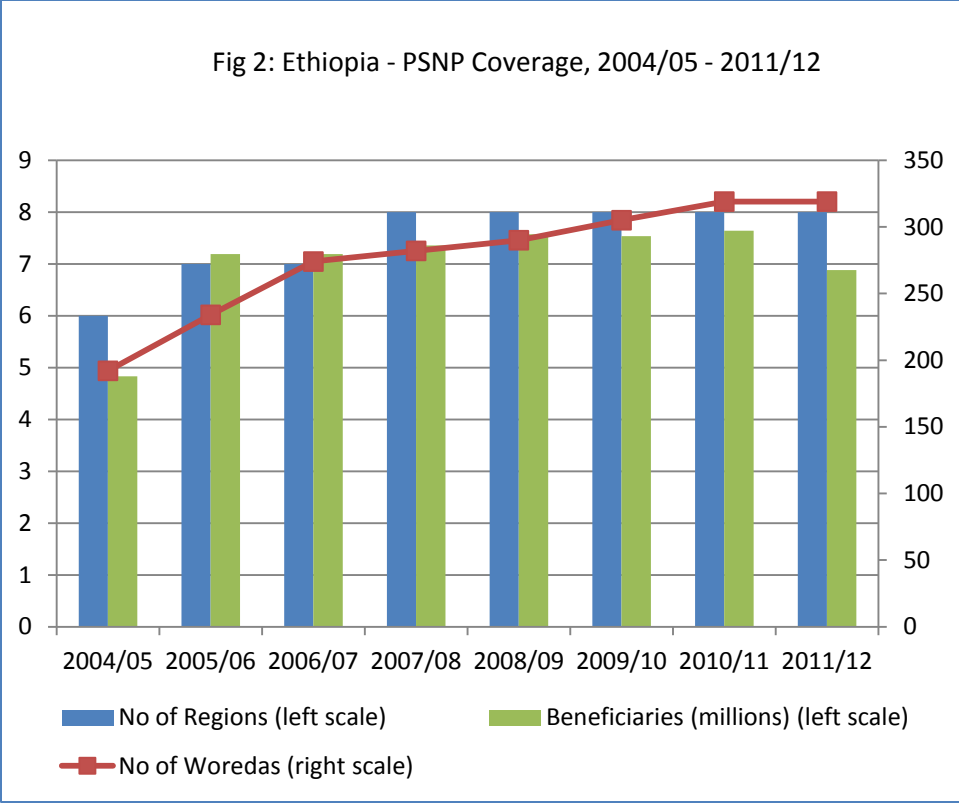


Fig. 2 shows PSNP coverage from 2004/5 -2011/12 with the numbers of regions, woredas (districts) and beneficiaries. The PSNP has been under implementation since 2005, which started with six regions, 192 woredas and 4.83 million beneficiaries. The largest coverage the PSNP reached was in 2011/12 at the height of the Horn of Africa 2011 crisis during which 7.642 million people were reached in 319 woredas and eight regions. However, in 2012/13, the number of beneficiaries decreased by 762,000. This was due to the fact that some were transitory food insecure, while the rest must have graduated from the PSNP (see Fig. 3 below on this). According to a summary document on ‘Food Security Programme in Ethiopia’ of the Ministry of Agriculture, some of the impacts of the PSNP include the following:

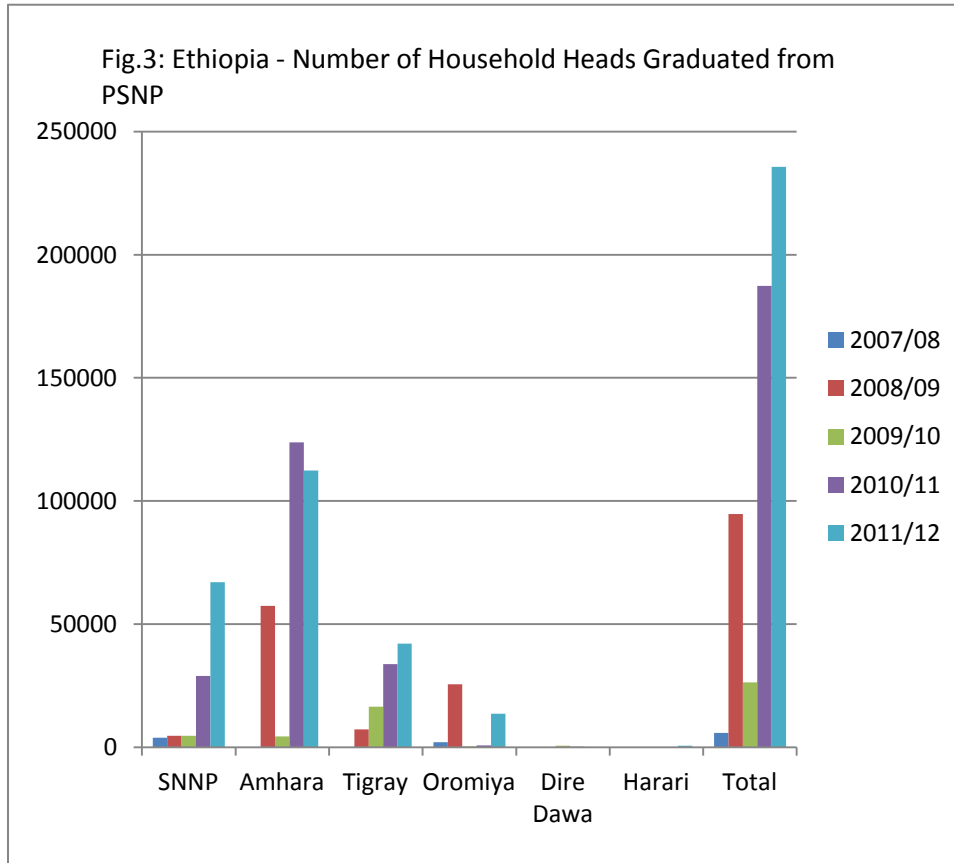
- Delivery of timely transfers to vulnerable groups in rural areas
- Critical role in responding to crisis (transitory crisis)
- Creation of community productive assets
- Rehabilitation of natural resources
- Improvement of households food security
- Measureable impact on beneficiaries’ livelihoods as measured by income and assets
- Stimulating the rural economy.

Household Asset Building Sub-Programme

The Household Asset Building sub-Programme (HABP) is aimed at providing a mix of technical advisory services and appropriate financial services to PSNP beneficiaries in order that they can diversify their

income sources, and increase their productive asset bases. Households receiving PSNP support together with the Household Asset Building component are expected to graduate from the PSNP.

Beneficiaries under this sub-programme are provided with household packages, which are largely agricultural. Limited non-agricultural packages are also provided to rural households. Credit, managed on a revolving fund basis, is also provided to beneficiaries, who if they pay on time are encouraged to borrow, if they so desire, again.



By the end of 2011/12 two million beneficiaries received more than 4.3 billion Birr through household package credit from Government allocated budget and other sources. Consequently, beneficiaries have been able to earn additional income; build assets and increasingly managed to meet their consumption needs from own resources.

Fig. 3 shows the number of household heads who graduated from the PSNP during the period 2007/8 – 2011/12 in the six Regions. The yearly total of each Region is provided in Fig. 3; and accordingly, the highest number of graduated household heads for SNNP was registered in 2011/12; for Amhara in 2010/11; for Tigray 2011/12; for Oromiya 2008/09; and for Dire Dawa and Harari, they cannot be seen in Fig. 3, however, Dire Dawa has 757 and Harari 601. The overall total number of beneficiaries that graduated from PSNP by 2011/12 is 549,812.

Complementary Community Investment (CCI) Sub-Programme

The CCI component of the Food Security Programme is a sub-programme of capital intensive community infrastructure development, which is aimed at benefiting groups of food insecure population living in selected chronically food insecure woredas (districts). Investments of the sub-Programme focus on pastoral, semi-pastoral and moisture-stressed highland areas. According to the summary document of the Ministry of Agriculture, considerable progress has been registered in the following areas during the implementation of the CCI.

- Access to water both for humans and animals enhanced in pastoral and agro-pastoral areas
- Large areas of land developed through irrigated agriculture
- Pastoral people have started living settled lives, and
- Food security situation in the pastoral areas has shown an improvement.

Concluding Remarks

The political commitment for the strengthening of the social protection is assured in Ethiopia. The Government recognized early on that social protection is a means to combat poverty and food insecurity, and to provide a platform for growth. This is in keeping with its major agenda of eradicating poverty, food insecurity and malnutrition. It considers social protection as an essential basic service together with health, education, water, sanitation and agricultural extension services. Ethiopia is demonstrating, through the FSP and its sub-programmes, a longer-term alternative to dealing with food insecurity, which is aimed at relieving the need for emergency food aid. The benefits of resilience building could be seen in its PSNP, which is considered the largest social safety net in Africa. It needs to be said that the PSNP has not only arrested the pre-2005 trend of year-year livelihood deterioration, but it has actually reversed the trend. A combined approach to resilience building as well as to prompt, fully

-funded and effective emergency relief will be necessary till all members of society are resilient enough to withstand crisis. Given the pace of economic growth and social development that Ethiopia is following, it may not be too long before food security is achieved at the national, local and household levels. But the shortfalls in overall funding of the resilience building and emergency relief will need to be met. This is where further support of already assisting partners and others such as the FAO, IFAD, etc. will be critical in building up the capacity, financing, institutions, plans and early warning system across the whole of Ethiopia in order to enhance the on-going system. International partners who supported PSNP since its inception include CIDA, DFID, EC, Irish Aid, RNE, SIDA, USAID, WB, WFP.

Documents Consulted

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- Panel Discussion at the 146th Session of FAO Council Side Even on: New Unified Approaches to end Hunger in Africa: Promoting Food Security and Nutrition, Aseffa Abreha
- How Ethiopia's Productive Safety Net Programme (PSNP) responded to the 2011 humanitarian crisis in the Horn of Africa, Matt Hobson
- Building Consensus for Social Protection: Insights from Ethiopia's Productive Safety Net Programme (PSNP), the IDLgroup.
- The Universal Declaration of Human Rights, UNGA, 10 December, 1948.