



## Productive Safety Net program and its Impacts on Food Insecurity in Ethiopia

Ahmed Kasim Dube<sup>1</sup> Prof. Dr. Burhan Ozkan<sup>1\*</sup>

<sup>1</sup>Department of Agricultural Economics, Faculty of Agriculture, Akdeniz University, Antalya, TURKEY

\*Corresponding Author

E-mail:bozkan@akdeniz.edu.tr

### Abstract

In Ethiopia chronic food insecurity has been the feature of extraordinarily poor households living in rural areas. These people heavily rely upon rain fed agriculture and thus, in years of poor rainfall, the threat of widespread starvation is high. The policy response to this threat has been a series of ad hoc emergency appeals for food aid and other forms of emergency assistance. These policy measures have succeeded in reducing mass starvation among asset-less households. However, they were unable to prevent further famine and could not prevent asset depletion of marginally poor households affected by adverse rainfall shocks. Consequently, the second largest safety net program in the continent was implemented to handle the problems of chronic food insecurity and prevent households' asset depletion in the country. With this paper, it was aimed to review the impact of PSNP program on the objectives of its implementation in Ethiopia. The results of the review indicate that Ethiopia's PSNP has demonstrated the value and potential of a transition from a humanitarian response system of addressing food insecurity to a system that is development-oriented. There is evidence that livelihoods were stabilized and food insecurity is being reduced among beneficiary households. The public works investments in soil and water conservation, which are vital to achieve sustainable livelihoods in rural areas, resulted in significant improvements in the natural environment. However, graduation process has been slow due to its complexity requiring regular investments. Consequently, it remained a challenge because of the repeated shocks hitting the country

**Keywords:** *Productive safety net program, Food security, Ethiopia*

### INTRODUCTION

Chronic food insecurity has been a defining feature of the poverty that has affected millions of Ethiopians for decades. The vast majority of these extraordinarily poor households live in rural areas that are heavily reliant on rain fed agriculture and thus, in years of poor rainfall, the threat of widespread starvation is high. Since the tragic 1983-84 famine, the policy response to this threat has been a series of ad hoc emergency appeals for food aid and other forms of emergency assistance. While these have succeeded in averting mass starvation, especially among the asset-less, they have not banished the threat of further famine and they did not prevent asset depletion by marginally poor households affected by adverse rainfall shocks. As a result, the number of individuals in need of emergency food assistance rose to its highest level in 2003 [9].

Starting in 2005, the Government of Ethiopia and a consortium of donors implemented a new form of safety net: the Productive Safety Nets Program (PSNP). Outside of South Africa, it was the largest social protection program operating in sub-Saharan Africa [14]. It reached up to 8 million person, nearly 300 districts (40% of total districts in the country) and operated with an annual budget of \$1.5 billion between 2005-09 and \$2.1 billion between 2010-14 [2]. The program is now in its fourth phases. Currently under PSNP IV, the aim is to scale up to a total caseload of 10 million participants across eight of Ethiopia's 11 regional states, until the current phase terminates in 2020 [18].

Supplemented by other food security and household asset building programs, PSNP was implemented with aim of reducing chronic food insecurity, reducing asset depletion and enhancing productive investment to enable the participant household to graduate from the problem of chronic food insecurity and from the program PSNP [11]. In this regard, there was increasing evidence that social protection can have a significant impact on poverty and

hunger in Africa. Consequently, lesson could be drawn from the implementation of the program in Ethiopia to expand the program to the other countries of Africa to solve the prevalent problem of chronic food insecurity [4, 16]. With this background, the objective of this paper was to review the impact of PSNP program on the objectives of its implementation in Ethiopia.

#### Background to PSNP in Ethiopia

Many rural Ethiopians have experienced significant periods when they were unable to meet their basic food needs. The most dramatic images of food insecurity and famine in Ethiopia come from the mid-1980s when an estimated one million people died. From the mid-1990s, food insecurity affected up to an estimated 15 million people in rural Ethiopia from the mid-1990s, food insecurity affected up to an estimated 15 million people in rural Ethiopia. Weather-related shocks were frequent events, such as in 1994, 2000 and 2002 [9].

A complex set of factors caused food insecurity in Ethiopia which include: high population growth, diminishing land holdings, lack of agricultural diversification and market integration, lack of access to credit, limited rural infra structure, and few opportunity for off-farm employment. Added with these problems recurrent drought intensified the problems of food insecurity [10].

Since the 1983-1984 famine, the policy response to this threat has been a series of ad hoc emergency appeals on a near annual basis for food aid and other forms of emergency assistance. While these measures succeeded in averting mass starvation, especially among those with no assets, they did not banish the threat of further famine, nor did they prevent asset depletion by marginally poor households affected by adverse rainfall shocks. As a result, the number of individuals in need of emergency food assistance rose from approximately 2.1 million people in 1996 to 13.2 million in 2003 before falling back to 7.1 million in 2004 [9].

Consequently, following the drought in 2002-2003, the government established the New Coalition for Food Security and sought a new approach to tackling food insecurity. The consensus to move beyond the cycle of relief in Ethiopia was fueled by the following factors [9]:

**Inappropriateness of existing approaches:** It was increasingly recognized that the bulk of those receiving relief were chronically, not temporarily, food insecure. Most beneficiaries of relief suffered from hunger year after year, regardless of whether there was a drought or other shock. Targeting the chronically food insecure with an emergency response was increasingly seen as inappropriate.

**Evidence base for alternatives:** There was an emerging body of experience and expertise on alternative ways of addressing chronic food insecurity and providing social protection. Evidence on the effectiveness of cash transfers, good practice on participant targeting, and the impact of public works programmes all provided donors and Government with a greater menu of options for moving beyond relief.

**Champions:** A number of individuals in donor agencies and NGOs had been advocating for a new safety net-based approach to deal with chronic hunger.

**Government political incentives:** The government faced significant political incentives to look for different ways of tackling hunger and vulnerability.

As a result, Starting in 2005, the Government of Ethiopia and a consortium of donors (including Canadian International Development Agency, UK Department for International Development, Irish Aid, European Commission, Royal Netherlands Embassy, Swedish International Development Cooperation Agency, United States Agency for International Development, World Food Program and World Bank) implemented a new form of safety net: the Productive Safety Nets Program (PSNP) [13].

#### Objectives of PSNP

PSNP as the largest social protection program in the sub Saharan Africa have the following objectives [13]:

- **Smoothing household consumption** – to bridge production deficits in chronically food insecure farming households that are not self-sufficient, even in good rainfall years;
- **Protecting household assets** – to prevent poor households from falling further towards destitution, vulnerability to future shocks and chronic dependence on external assistance;
- **Creating community assets** – by linking the delivery of transfers to activities that are productivity-enhancing, in order to promote sustainable developmental outcomes.

#### 2.3. Mechanisms of PSNP to transfer resources

According to safety net implementation manual, to realize the above objectives, the following two mechanisms were used to reach the chronically food insecure households [13]:

- **Public Works** – It was the provision of counter-cyclical employment on rural infrastructure projects such as road construction and maintenance, small-scale irrigation and reforestation. This was the larger of the two programs.
- **Direct Support** – provision of direct unconditional transfers of cash or food to vulnerable households with no able-bodied members who can participate in public works projects.

#### PSNP-PLUS programs

The PSNP was complemented by a series of food security activities, collectively referred to as the Other Food Security Program (OFSP). Beneficiaries of the OFSP receive at least one of several productivity-enhancing transfers or services, including access to credit, agricultural extension

services, technology transfer (such as advice on food crop production, cash cropping, livestock production, and soil and water conservation), and irrigation and water harvesting schemes. While the PSNP is designed to protect existing assets and ensure a minimum level of food consumption, the OFSP was designed to encourage households to increase income generated from agricultural activities and to build up assets [14].

Despite its achievements, considerable food insecurity remained across much of Ethiopia and graduation from the program—a major policy goal—has been limited. Consequently, in 2009 the Government of Ethiopia re-launched the Food Security Programme (extending from 2010-2014) and replaced OFSP with Household Asset Building Programme (HABP). The Household Asset Building Programme (HABP) includes a demand driven extension and support component and improvements in access to financial services [11, 14, 21, 2].

#### PSNP and PSNP-PLUS in Practices

##### Defining Program Participation

The Program Implementation Manual (PIM) describes how to identify eligible groups (i.e. chronic food insecure households). Chronically food insecure households and households that had experienced shocks that had led to severe asset losses were eligible. *Kebele* assembly, *kebele* cabinet (councilors), *District* Food Security Task Force (FSTF) and the *District* cabinet refines the beneficiary list before it was submitted to the Regional Bureau [13].

##### Levels of exposure to programs

Based on increasing levels of exposure to program, beneficiaries of the program could be categorized into [15, 14, 16]:

**PSNP beneficiaries:** A household received payment for undertaking work on PSNP-supported public works.

**PSNP PLUS beneficiaries:** A household received payment for undertaking work on PSNP-supported public works and also received access to some component of the OFSP such as access to improved seeds, irrigation and water-harvesting schemes, soil and water conservation, credit, the provision of livestock, crop production extension services.

##### Indicator for the assessment of the impact of the programs

For the PSNP, one critical indicator was the “food gap” as a measure of household food security. A second indicator was concerned with asset holdings, which was to prevent households from reducing their already low asset base [11].

#### The impact of PSNP and its linkages

##### Improvement in consumption

There were positive impacts on consumption smoothing. Households had consumed more or better which they had attributed the change to PSNP [19, 11, 20, 1]. In highland areas PSNP participants enjoyed an increase in the average number of months with sufficient food, from 8.4 months in 2006 to 10.1 months in 2012. In other word, food gap declined by 1.3 months between 2006 and 2010 and further by 1.4 months between 2010 and 2012 [2].

##### Asset protection and asset building

Asset protection as a result of PSNP was significant and some households have even been able to build asset. There were lower distress sales of livestock ([11, 2, 20]. The PSNP and OFSP enabled the household to take greater risk as they were mutually self-supporting. For instance, When the PSNP is on time, it prevents the use of loans for consumption so they are used for their intended purpose - productive investment [19, 11].

### Increased use of services

The implementation of the program had increased the use of services especially health, education and water. It did so in two ways – increase or improved supply of services and increased demand for services. The supply of services were increased because, the public works under the PSNP have created various assets with implications for the supply of services. The most important priorities for public works at village level were soil and water conservation, health and education infrastructure, and improved roads. Each of these activities had implications for the supply of services. PSNP increased the demand of services because large numbers of households were able to keep their children in school longer as a direct result of PSNP [19]. In addition, PSNP beneficiaries were able to increase their medical expenditure [2].

### Improved use of improved inputs and productive investment

The striking improvement was achieved by those households who were PW-PSNP-OFSP beneficiaries. They borrowed capital for productive purposes and were able to use improved agricultural technologies. Furthermore, access to the program increased the use of fertilizers and improved seeds ([14, 16, 2].

### Increased forestry

Households that had participated in the program increased the number of trees planted. That is, there was increased forestry activity as a result of PSNP. In addition, credit access encourages households to increase their livestock holdings [3].

### Improved access to financial services

In the period extending from 2010-2014, credit services have been de-linked from the extension service. Instead, credit was provided through microfinance institutions (MFIs) and Rural Savings and Credit Cooperatives (RUSACCO) [12]. Consequently, the program has been linked PSNP households to both formal and informal microfinance. These interventions have included the establishment of Village Saving and Loan Associations (VSLA), and the provision of credit for agricultural inputs [5,6,7,8].

### Increased contact and coordination with development agents

Along with the injection of new resources, there was an emphasis on increased contact and coordination with the extension services and development agents (DA). Each *kebele* was to have three development agents, one crop science DA, one animal husbandry DA, and one natural resources management DA. They were supposed to disseminate “technology packages” and provide on-farm technical advice. These were demand-led with clients involved in the identification of new opportunities [11].

### Linking the households to market opportunities

The program has also linked the participated households to market opportunities by supporting the development of livestock, cereal, white pea bean and honey value chains. Ultimately, the combination of the programs including microfinance and value chain interventions contributed towards livelihoods diversification, household resilience, and an increase in household income and assets with associated improvements in PSNP graduation [5, 6, 7, 8].

### Graduation from food security and from the program

Successful exit from the PSNP is defined as when a household can meet its food needs for the entire year without PSNP transfers and withstand moderate shocks. Under this definition nearly two million individuals “exited” from the program between 2008 and 2012.

However, the exit rate was “slow” [18].

## CONCLUSION

Ethiopia’s PSNP has demonstrated the value and potential of a transition from addressing food insecurity through humanitarian response system to a system that is development-oriented. While these achievements are built on the history of humanitarian response in Ethiopia, the design of the PSNP was a radical departure from food aid in many ways. Most importantly, PSNP has created, for the first time, a secure entitlement of households to a safety net from the Government. The predictability of these transfers is reflected in the confidence of households that their transfers will arrive. For the more than 8 million people who receive PSNP transfers annually, this enables them to meet consumption needs, mitigate risks and avoid selling productive assets during times of crisis. As a result, there is evidence that livelihoods are stabilizing and food insecurity is being reduced among beneficiary households. Similarly, it is increasingly apparent that the public works investments in soil and water conservation can result in significant improvements in the natural environment. Emerging evidence shows that such investments are vital to achieving sustainable livelihoods in rural areas. This suggests that investing in the systems and structures to deliver a quality public works program has genuine value. With regards to graduation, large numbers of population were able to graduate from food security and the program. However, slow rate of graduation process witnessed is the manifestation of the long, complex process of graduation that requires regular investments.

## REFERENCE

- [1] Abduselam Abdullahi, 2017: Impact of productive safety net on the household livelihood: The case of Babile district in Somalia regional state, Ethiopia. *International journal of economy, energy and environment*: 2(2):25-31.
- [2] Alemayehu Seyoum, 2015: social protection and agriculture: Finding from Ethiopia’s PSNP. International food policy research institute.
- [3] Anderson C., Alemu M. and Stage J.(2009). Impacts of the Productive Safety Net Program in Ethiopia on Livestock and Tree Holdings of Rural Households. Environmental Economics Policy Forum for Ethiopia (EEPFE) and Ethiopian Development Research Institute (EDRI/AAU). Discussion paper series.
- [4] Brown T., Gibson S. and Ashley S.(2007). Building Consensus For Social Protection: Insight From Ethiopia Productive Safety Net Program(PSNP). DFID
- [5] Solomon B and Burns J. (2011a). Impact Assessment Of Small Ruminants And Value Chain Intervention: Final Impact Assessment Of The PSNP Plus In Dodota And Sire. USAID and CARE.
- [6] Solomon B and Burns J. (2011b). Impact Assessment of Honey Micro Finance And Livestock Value Chain Intervention: Final Impact Assessment Of The PSNP Plus In Sekota. USAID and CARE.
- [7] Solomon B and Burns J. (2011c). Impact Assessment Of Livestock Value Chain Intervention: Final Impact Assessment Of The PSNP Plus In Raya Azebo. USAID and CARE.
- [8] Solomon B and Burns J. (2011d). Impact Assessment Of Micro Finance Honey And Crop Value Chain Intervention: Final Impact Assessment Of The PSNP Plus In Doba Woreda. USAID and CARE
- [9] World Bank (2004). Project Appraisal Document for Phase One of the Productive Safety Net Program. Washington, D.C.: World Bank, 2004.
- [10] FDRE (2002). *Food Security Strategy*. Addis

Ababa: Federal Democratic Republic of Ethiopia, 2002.

[11] FDRE (Federal Democratic Republic of Ethiopia), 2009a. Food Security Programme, 2010-2014. Addis Ababa: Ministry of Agriculture and Rural Development.

[12] FDRE (Federal Democratic Republic of Ethiopia). 2009b. *Household Asset Building Programme, 2010-2014*. Addis Ababa: Ministry of Agriculture and Rural Development.

[13] Ministry of Agriculture and Rural Development (MoARD). (2004). *Safety Net Implementation Manual*. Addis Ababa.

[14] Gilligan O. D., Hoddinot J. and Alemayehu S.T . (2008). The impact of Ethiopia productive safety net program and its linkage. IFPRI discussion paper. Washington , D.C.

[15] Gilligan, D., J. Hoddinot, A. S. Taffesse, S. Dejene, N. Tefera, and Y. Yohannes. 2007. *Ethiopia Food Security Programme: Report on 2006 baseline survey*. Mimeo. Washington, D.C.: International Food Policy Research Institute.

[16] Gilligan O.D., Hoddinot J., Kumar N. and Alemayehu S.T. (2010). Can social protection work In Africa? Evidence on the impact of Ethiopia PSNP on food security, asset and incentives. IFPRI, Washington D.C.

[17] FDRE (Federal Democratic Republic of Ethiopia). 2007. *Food Security Programme Logical Framework*. Addis Ababa: Ministry Of Agriculture And Rural Development.

[18] Omar Mahmood, 2016: Early lesson from large scale implementation of the graduation approach: Ethiopia case stud, Ford foundation.

[19] Slater R., Ashley S. Mulugeta T., Mengistu B. and Desalegne E. (2006). Ethiopia Productive Safety Net Programme (PSNP): PSNP Policy, Programme and Institutional Linkages. Overseas development institute(ODI), UK.

[20] Welteji Diriba, Kerime Mohammed and Kedir Hussein, 2017: The contribution of Productive safety net program for the food security of the rural households in the case of Bale zone, south east Ethiopa. Agriculture and food security journal, (2017) 6:53.

[21] WB (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. Washington, DC.