Building Household Resilience through Productive Inclusion

Carlo del Ninno, Thomas Bossuroy, Patrick Premand, World Bank
Adaptive Social Protection (ASP)

1) Build household resilience, ex ante

2) Protect wellbeing, ex post

But how? ....

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Building household resilience

**Why it is important?**

Improve the ability to cope with shocks *ex ante* and manage future risks *beyond the short-term*

- Households use a variety of strategies to deal with risks of shocks
  - Coping, income diversification, asset accumulation, formal and informal insurance
- But large welfare cost of risk and shocks remain
  - Large and persistent welfare impacts on nutrition after drought in Southern Africa
  - Adverse coping mechanisms can have long term welfare effects on education
- Potential expected profits are sacrificed for lower risk
  - Cost from *ex ante* risk management might be higher than cost of shocks (Zimbabwe, Niger, Kenya, etc)
- The costs of not protecting the poor are high and last long into the future (Ethiopia, Burkina Faso, etc.)
The role of productive inclusion

Boost resilience through livelihoods that support higher earnings and productivity among the poor

- The poor are mostly self-employed in agricultural or non-agricultural employment and face multiple constraints

Constraints
- Vulnerability
- No Access to Finance
- Failing Credit Markets
- Shortage of Skills
- Lack of Information
- Psychosocial constraints

Remedies
- Consumption support
- Savings promotion
- Capital injections
- training
- Coaching
  - life skills workshop, community sensitization

The Whole is Greater than the Sum of its Parts: tackling relevant constraints all at once build resilience for long lasting impacts
Integrated models can be effective

• Combining cash transfers and productive interventions can improve earnings, livelihoods diversification and resilience (“cash+”):
  – Encouraging evidence from Nicaragua (productive grant + training); Niger (cash support + savings)…
• The CGAP/BRAC integrated approach (Evaluation - Science 2015)

![Graph showing impact on income after 2 years and after 3 years across different countries]

3-day training + house visits over 24 mth
Livestock (goats, chicken) 12 mth CT

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Impact on income after 2 years and after 3 years
Have long-term income and revenues impact (West Bengal)

Beyond 2 or 3 years: what happens after 7 years? Does the impact dissipate? Plateau?

Differences between benef. and non benef. increase over time
Beneficiaries seem to be on a trajectory to exit poverty

8 March 2018
The Challenge

- How to design and implement programs to improve households’ resilience beyond the short-term
  - Programs that complement cash transfers with complementary interventions

INVESTING IN A MORE ADAPTIVE SOCIAL PROTECTION SYSTEM

Adaptive Programs: building resilience, responsive to changed needs

- Social Protection programs designed to build the resilience of the most vulnerable to shocks, ex ante
- Flexible and scalable: capable of reaching the affected / target population through dynamic processes and systems

Δ PROGRAMS DESIGNED FOR RESILIENCE AND / OR RESPONSE

Δ DYNAMIC DELIVERY CHAIN
  - Flexible program rules and procedures
  - Strategies for rapid assessment and enrolment, setting criteria in advance and defining triggers
  - Flexibility in benefits package
  - Robust processes and systems for post shock implementation
How to Design Programs?

• Identify the relevant constraints that need to be addressed
  – Example of a poor household in the Sahel: video

• How can productive inclusion programs be implemented at scale through social protection systems?
  – **Niger**: Ms. Yahaya Saadatou Mallam Barmou
  – **Bangladesh**: Ms. Mahmuda Begum
  – **Peru**: Federico Tong Hurtado
THANK YOU