Seasonality Revisited

Perspectives on Seasonal Poverty

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Seasonality and Social Protection: A Bridge too Far?

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Abstract

Hundreds of millions of people suffer an annual cycle of hunger and hardship that is linked to the agricultural season. There is a growing argument that it should theoretically be possible to design social protection measures that are counter-cyclical – such as employment schemes, or social transfer programmes that only operate at specific times of the year. Conceptually, this is all very neat. But the reality is different for a number of reasons. The first problem is that seasonality is not quite as clear-cut as its proponents imply. The second is that, on top of the general fluctuation of the seasons, individual households are additionally exposed to a range of non-seasonal income and expenditure, which may cumulatively have as great or greater impact on their individual resources and resilience. Third, there are other cycles – both longer and shorter than seasonality – that impact on households. To design social protection responses that could adequately address all such cycles, and the complex interplay between them, would make such programmes impossibly complicated to administer. And there is a danger that getting it wrong might inflict additional damage, by undermining traditional social support mechanisms, and fuelling the social and economic polarisation that can accompany seasonality. Two possible, but as yet unproven, mechanisms are discussed that attempt to address seasonality through more flexible social protection: employment guarantee schemes and seasonal risk reduction. But the key message is that it is much better to provide a simple, regular, predictable and consistent transfer throughout the year, and to allow individual households to do their own budgeting and husbanding of resources, than to make paternalistic assumptions of need based on an overly simplistic conceptualisation of the vagaries and impacts of seasonality.

Seasonality is back in season! There are currently a number of activities and initiatives looking at seasonality, and its impact on livelihoods. These include:

- Action Against Hunger's (AAH) Hunger Watch publication on "Seasons of Hunger" [i]
- IDS's ALINe collaboration with the Gates Foundation and Keystone Accountability
- DFID's October 2009 seminar on "Seasonality and High Food Prices"
- The Future Agricultures Consortium international conference at IDS.

The underlying issue is that, in much of the world, there is a cycle of hunger that is linked to the agricultural season. In the months prior to harvest, not only are the previous season's on-farm stocks exhausted, but prices in local markets are at their highest, and the rains that precede the harvest bring malaria and other diseases which further sap energy … thereby creating a "perfect storm" of deprivation and malnutrition. It is estimated that some 600 million face such seasonal hunger and hardship every year – a "cycle of quiet starvation", a "slower kind of dying".[ii] The existence of this phenomenon – called the "*soudure*" in French (meaning a metaphorical "bridge") – has been recognised in development theory for decades.

But, the argument now goes, it should therefore be possible to design social protection measures that are counter-cyclical – *i.e.* that counteract and reverse the seasonal cycle. A number of variants are possible. One is social transfers that only operate for certain months of the year. Malawi, for example, has provision in its national social support policy for "protection against food price seasonality through seasonal cash transfers", and has already tested this approach in emergency response on the Food and Cash Transfer (FACT) and Dowa Emergency Cash Transfer (DECT) programmes, implemented by Concern Worldwide. Similar models have been adopted in Swaziland, on Save the Children's Emergency Drought Relief (EDR) programme, and in Lesotho on World Vision's Cash and Food Transfers Pilot Programme (CFTPP).

Another variant would include employment schemes that operate at specific times of the year. Probably the largest-scale example of this is Ethiopia's Productive Safety Nets Programme (PSNP), which implements its public works programmes for only six months of the year, to coincide with the lean season. In yet another variant, the form of social transfers could vary throughout the year: agricultural inputs during the months prior to harvest, food during the growing season (when food stocks from the previous year are at their lowest and prices highest), and cash in the months after harvest, when households are more food secure and can invest in other assets (or buy more food stocks when prices are lowest).

Conceptually, this is all very neat. But the reality is as different as – well – winter from summer, or the rainy season from the dry season! There are a number of reasons.

First, seasonality is not quite as clear-cut as its proponents imply. Seasons (as any meteorologist, or farmer, will tell you) are highly variable, in timing, in intensity and in character. Some countries, or even some regions within the same country, have two or sometimes three distinct agricultural seasons each year. Even in unimodal rainfall areas, the impact of seasons may differ depending on the type of commodity being produced: rainfed maize has a very different seasonal pattern from irrigated wheat or from cassava or from legumes. And, whilst the bulk of vulnerable households may be dependent on agriculture, other households may have livelihoods that are inversely correlated with normal cyclical impacts, such as nomadic herders and petty traders, who may do better when on-farm stocks are scarce; or households with excess labour and no land who may be able to benefit from paid work during the "lean", but busy, planting season.

Second, on top of the general fluctuation of the seasons, individual households are additionally exposed to a range of non-seasonal income and expenditure, which may cumulatively have as great or greater impact on their individual resources and resilience. Some may be cycles within cycles, such as payment of school fees and associated school expenditures at regular points in the year, or purchase of essential household consumables such as charcoal, soap or fuel. And some may be arbitrary and unpredictable, such as expenditure on health shocks, funerals, and losses from theft, or income from asset sales and from irregular remittances. A study in Malawi[iii] found that a significant majority of households had suffered some kind of external shock, severe enough to have resulted in a loss of income, during the preceding twelve months: 30% had suffered an illness or accident to a household member, 30% damage to housing, 20% death or theft of livestock, 10% crop pests and diseases, 7% a death in the household. Such shocks may occur more commonly during the lean season, but they are by no means limited to it.

Third, if one starts to look at cycles that might potentially impact on households, why should one stop at agricultural seasonality? Households might face extra stresses towards the end of a month, when remittances from overseas are expected to arrive; or at the end of a week, before local wages are paid. Or there may be longer cycles, such as those associated with bringing up children who incur different costs at different ages; or natural cycles of stocking and de-stocking for pastoralists. It is unrealistic to expect responses that will adequately address all such cycles and the complex interplay between them.

Then there is the issue of the complexity of attempting a corresponding social protection response to seasonality. As a general rule, the simpler a social transfer programme is, the more it will be understood and politically accepted. Evidence for this is abundant: social pensions in

Mauritius and Swaziland, and child benefits in the UK and South Africa all began by being subject to complicated means testing, and eventually became universal (or near-universal), for reasons of simplicity and political economy. And conversely, where social transfer programmes remain complex, they also tend to remain small-scale: witness for example, the social cash transfer pilots in Zambia, which have little prospect of national scale-up, even after five years in operation.

The oft-touted solution of seasonal employment schemes (*a.k.a.* public works programmes) already suffers from a number of inherent weaknesses. These schemes are pushed by their dwindling band of proponents as a "win-win-win" option because (i) they have an inbuilt targeting mechanism, (ii) they avoid "dependency" by providing transfers to "deserving" beneficiaries (not giving "something for nothing"), and (iii) they create community assets. But in fact they usually do all three things badly[iv]: (i) such self-targeting necessarily misses the weakest and most vulnerable members who cannot work; (ii) even if the concept of "dependency" is accepted (which many would debate), it is not clear why dependency on the state to provide poorly-paid employment is any less dangerous than a dependency on the state to provide direct transfers; and (iii) the assets created are often low-quality, poorly maintained and uncoordinated with broader development initiatives. But in the context of seasonality, their greatest flaw is that of timing: if you offer such opportunities when people most need the income (during the *soudure*), then you are also forcing people to work away from their land at the very time they would gain most by working on it. Such employment schemes are wholly unsatisfactory as a form of seasonal social protection, and may well engender the kind of dependency that they pretend to avert, trapping people in poverty by depriving them of the opportunity to pursue their own livelihoods.

An alternative approach may be to provide a legally-enforceable guarantee of work at whatever period of the year it may be needed. This is what is currently being offered by the National Rural Employment Guarantee Act (NREGA) in India, a constitutionally-enshrined right which anyone can invoke, at a time of their own choosing, to up to 100 days of paid local work per year – or to the equivalent in cash transfers if such work cannot be proffered. At least the principle here is correct: that it should be up to the beneficiary to decide when and where he or she wants to generate income; it should not be based on the whims of a nebulous public works programme. But NREGA is relatively recent and unproven, and still suffers from a number of administrative shortcomings (even in as highly bureaucratic a country as India), which suggest that such an approach may be beyond the capacity of many other countries to deliver.

The option of providing unconditional transfers during the lean season is obviously better, because it removes the damaging work conditionality, but is still administratively more complex than a year-round transfer, more prone to delay, and proportionally more costly to operate.

Irregular, seasonal programmes inevitably, and unsurprisingly, involve more in terms of administrative cost. On Malawi's DECT programme, for example, the cost of delivering $1.00 was calculated initially to be $1.32, rising to $1.52 as the price of maize (to which the size of the transfer was linked) fell, thereby lowering the value of transfers relative to other costs, and further reducing cost-efficiency.[v] Contrast this with an already simple, all-year-round system: once regular and established, the rhythm of a routine develops, punctuality improves, and administrative costs fall dramatically: the cost of delivering $1.00 of Lesotho's old age pension is only $1.02.[vi]

Above all, what is critical in addressing a household's vulnerability is to remedy the fact that the household has insufficient resources to survive the year, not to try to estimate the time of the year at which this deficiency may manifest itself. The critical factor is the amount needed to fill the gap, not the timing of its distribution. When asked about the most desirable characteristics of social transfers, recipients invariably stress the importance of regularity and predictability: it is the certainty of a guaranteed source of income next month that allows them to take a particular risk, or assume a short-term loan, or put aside a small amount as savings in the current month. Such security is removed if the beneficiary may have to wait two months, or four months, or six months for the next payment.

Indeed, might there even be a danger that using generic seasonal models to second-guess individual household needs may undermine the very resilience it purports to sustain? Resource management and annual budgeting in poor households may be considered important skills that themselves enhance resilience. They may also underpin traditional social support mechanisms. Communities may have established systems of reciprocity which function to smooth consumption during periods where one household is suffering more than another: these could be undermined if everyone in the community received external support at the same time … and had to do without it at the same time. And there is a still more insidious danger that failing to provide transfers at a time when they are needed might fuel the unpleasant social polarisation that accompanies seasonality: because for every exploited seller there must be an exploitative buyer; for every oppressed labourer, an oppressive landlord; for every extorted borrower, a rapacious lender; and for every "distress" sale, a "smug" purchase. Social protection needs to be constant, not on-off, to avoid feeding such social and economic divarication.

Finally, the advocates of seasonal social transfers as a response to seasonality assume that they are better placed to smooth consumption, and budget the use of resources over the course of a year, than the individual beneficiary households. They thus fall into the same paternalistic trap that they themselves ostentatiously avoid when justifying a preference for cash transfers over food transfers: that it is the households themselves that are best placed to decide on priorities for expenditure … and, in the case of seasonality, on the timing of that expenditure. An interesting illustration of this comes from the evaluation of the Malawi FACT programme. Because the first (of four) monthly payment was delayed for operational reasons, the final payment was eventually paid after the harvest, when – in seasonality theory – it was no longer "needed". In the event, however, this unintended delay allowed recipients to use the cash for investment purposes: "FACT cash primarily allowed beneficiaries to meet immediate subsistence needs, but also to invest in agriculture and other livelihood activities, and to protect and even accumulate assets – especially after the final distribution in April, when the need to purchase food was declining".[vii] This "final payment … gave the FACT project an added dimension, facilitating asset accumulation or investment behaviour by households that could potentially generate long-term economic returns". A year-round transfer provides exactly that advantage over a seasonal transfer: individual households then have the flexibility to determine when they need to consume and when they can invest, based on their own specific circumstances.

The unintended consequences of the late FACT payment may however point to one important potential linkage between seasonality and social protection, that is as yet unproven. This would recognise that year-round transfers are the best option to boost recipients' resilience in preparation for seasonal or periodic privation. But it would also recognise that such privation can sometimes, if severe enough, have year-round effects that undo all previous resilience-building at a stroke. So an ideal solution might be to have a system of regular transfers, but with a mechanism to increase their value during periods of exceptional stress. In the context of seasonality, this might allow them to expand according to the severity of the annual "*soudure*", to help people get through hard times relatively unscathed (i.e. without loss of longer-term resilience). Such measures would be essentially risk-reducing ones, including: price stabilisation mechanisms triggered when food prices exceed threshold levels, index- or weather-based crop or livestock insurance schemes, or supplementary food-and-cash programmes. They would not necessarily be 'seasonal' in terms of being implemented at the same time every year, but they would be more likely to be invoked during a lean season than post-harvest.

The additional cost of such seasonal risk reduction measures could legitimately be borne by donors (in conjunction with private sector players such as underwriters and commodity exchanges), on the basis that they would be far more effective, and far cheaper to implement, than the provision of emergency food aid which has hitherto dominated international seasonal response. There is a plan to introduce such a mechanism into Phase 2 of Ethiopia's PSNP, by establishing a risk financing facility that could avoid a repeat of what happened after the failed "*belg*" season of 2008, when all the gains of the previous two years of PSNP were essentially wiped out by a moderate shock. The risk finance pot could be accessed rapidly to ensure that existing beneficiaries did not suffer asset erosion when unduly poor conditions occurred, and would also support transient beneficiaries who were normally outside the programme. This would represent a good example of how “year-round social protection can act on poverty and its link to vulnerability, while seasonal risk reduction can act on vulnerability and its link to poverty”.[viii]

But, in the absence of such sophisticated models, the unambiguous message is that year-round social transfers provide better protection than seasonal ones. Fundamentally, the issue is this: either a household has sufficient overall resources to last it through the year, in which case proper budgeting will see it through; or it does not have sufficient resources, in which case it will need transfers. But, if it needs transfers, it does not <u>necessarily</u> need them at a particular time of year that can be accurately predicted by the model of seasonality: it <u>may</u> need them then – there may even be a stronger likelihood that it <u>will</u> – but, where that is not the case, such a household may well be penalised further by ill-luck or unfortunate timing. Much better to provide a regular, predictable and consistent transfer throughout the year, and to allow individual households to do their own husbanding of resources, than to make paternalistic assumptions of need based on an overly simplistic conceptualisation of the vagaries and impacts of seasonality!

Notes

[i] S. Devereux, B. Vaitla and S. Hauenstein Swan, "*Seasons of Hunger: Fighting Cycles of Quiet Starvation among the World's Rural Poor*", London: Pluto Press, 2008.

[ii] *Ibid.*

[iii] C. Miller, M. Tsoka and K. Reichert, "Impact Evaluation Report: External Evaluation of the Mchinji Social Cash Transfer Pilot", Boston: Boston University School of Public Health, August 2008.

[iv] A. McCord, "*Win-win or lose? An Examination of the Use of Public Works as a Social Protection Instrument in Situations of Chronic Poverty*", Manchester: Institute for Development Policy and Management, February 2005.

[v] Regional Hunger & Vulnerability Programme, "*REBA Thematic Brief No 5: the Cost-Effectiveness of Social Transfers*", Johannesburg: Regional Hunger & Vulnerability Programme, July 2008.

[vi] *Ibid.*

[vii] S. Devereux, P. Mvula and C. Solomon, "*After the FACT: An Evaluation of Concern Worldwide's Food and Cash Transfers Project in Three Districts of Malawi*", Brighton: Institute of Development Studies, June 2006.

[viii] Philip White, *pers. comm.*