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"Bridging the gap between increasing knowledge and decreasing resources"

The Role of Social Safety Nets in Risk Management: Evidence from Syrian Rural Areas

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Abstract

The objective of this study was to investigate the role played by safety nets in helping rural population to mitigate risks that affect their livelihoods. Safety nets are now considered as an important component of poverty reduction strategies adopted by governments in developing countries in order to support the poor through specific interventions. The research was carried in 2009 in five farming systems in Syria, depending on the Sustainable Livelihoods Approach (SLA) in order to identify the strategies used by rural households to confront agricultural, environmental and economic risks, as well as to explore the role and the impact of social safety nets in overcoming those risks. Accordingly, primary data were collected through a field survey covering 444 households. Qualitative and quantitative methods of analysis were used to obtain the main results. Our main findings suggest that the elimination of direct governmental subsidy (i.e. food subsidy, fuel subsidy and public education subsidy) would contribute to lower the ability of households to manage risks, and this would affect their livelihoods and might lead to their dropping below the expenditure-based poverty line. Moreover, results reveal that among risk coping strategies adopted by the households, borrowing ranked first followed by consumption reduction and assets selling strategies. Additionally, poverty status proved to have an important role in determining the strategy adopted, poor households do not adopt constructive strategies such as saving while they increasingly adopt less effective strategies like consumption reduction and selling assets. Finally, we employed the PROBIT regression to address the main factors that affect farmers' choice of certain coping strategies; we found that "safety nets" factor would have a positive impact on rural households; the larger the number of safety nets a household benefits from, the higher their capability to adopt efficient risk management strategies. We suggest that microfinance could play an important role as safety nets as it helps creating more work opportunities and thus helps households diversifying their livelihoods. Another possibility is to raise the awareness about the role of "saving" as coping strategy as it enable farmers to invest in their resources more effectively.

Keywords: Coping strategies, livelihoods, poverty, risk management, Syria

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