

# [An insight into the sustainable livelihoods approach](https://assignbuster.com/an-insight-into-the-sustainable-livelihoods-approach/)

The sustainable livelihoods approach expands understanding of the livelihoods of the poor. It formally arranges the factors that limit or increase livelihood opportunities, and shows how they relate. It can assist in planning development activities and assess the input that existing activities have made to sustaining livelihoods (ADB, 2008). It makes the correlation between poor and the general enabling environment that influences the outcomes of livelihood strategies. It focuses attention to bear on the intrinsic potential of poor in terms of their skills, social association, and access to physical and monetary resources, and ability to influence core institutions. (DFID, 1999)

The UN and international community in September 2000 pronounced eradication of extreme poverty as goal number one of the millennium thus “ We will spare no effort to free our fellow men, women, and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected” (MDG 2000). The target is to halve the number of poor people globally by year 2015. This was the same time with the commitment of World Bank in her 2000/01 report on exploring best practices for reaching this same goal, declaring poverty alleviation as the single greatest issue guiding the bank’s policies and programs. Thinking about poverty and sustainable development via different strategic intervention strategy directed at eradicating the menace of poverty has started touching around the related theme of vulnerability, social security and livelihood (IDS).

I say here that Projects and interventions that focus on livelihoods are more helpful in reducing poverty than projects that seek to reduce poverty through fiscal growth or better access to infrastructure and social services without regard tor the ways the people make their living, (FAO, 2004). The concept of sustainable livelihoods (SL), while linked to issues of social protection, change the focus from earnings and consumption to directly address the critical role that ‘ assets and capabilities’ play in improving individual and household social and economic well-being. Yet the emphasis on livelihoods in the real sense means that the importance of ‘ asset building’ (AB) – the amassing and longer term consolidation of assets – is often not given sufficient emphasis. In addition, to date both sustainable livelihoods and asset building have been first and foremost identified as frameworks or approaches to poverty reduction (Moser, 2005). This has brought about development of divers approaches to analyse situation and access the likely impact of interventions. Sustainable livelihood framework (SLF) designed through the seminal work by Chamber and Conway, and Scoones explores four contextual dimension of poverty (vulnerability context, assets, policy and institutional context, and livelihood outcome or ‘ dynamics of change’) in order to support more active meaningful and successful interventions. It states that household livelihood which is our interest in this work is more than monetary income or its proxy. Specifically:

A livelihood comprises the capabilities, assets (social, physical, human, personal and financial) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from external stresses and shocks, and maintain or enhance its capabilities and assets now and in the future (Scoones, 1997 and DFID, 1999)

From this definitions individual and by extension their household within prevailing conditions or particular context, continually make choices through their activities employing strategies (livelihood strategies) required for a means of living base on their access to and available assets and the capability to convert it into living without loosing focus of power relation and entitlement structure. Such livelihood is said to be sustainable if it is resilience to every day shock and stress without impacting negatively on the natural environment and the future living. Livelihood is presented here as linking concern over work and employment with poverty reduction (Scoones, 1998). In other words livelihood is “…the assets (natural, physical, human, financial and social capital), the activities, and the access to these (mediated by organizations, institutions and social relations) that together determine the living gained by the individual or household” (Ellis, 2000: 10).

We can understand this definition in the context of seminal work and as corollary to Sen’s work on capability and entitlement (Sen, 1999) that income and its proxy, can help the enhancement of quality of life and the choice available to people, but the conversion of income to well being (good life) varies depending on the people ability or in other words their capability. Defining poverty in the context of the lives people live and the ‘ freedoms they enjoy’, it therefore follows that improvement or expanding human ‘ valuable capability’ make it possible for people to function better and give them more options and choices on what they can do with their asset endowment. According to Sen, endowments of assets including human and social capital are the basis for capabilities. Capabilities provide the opportunities for the achievement of well being. ‘ Functioning’ he argued is the ‘ freedom’ people have to achieve ‘ valuable beings and doing’, expanding those valuable capabilities that enhance real freedom people enjoy (Sen, 1999).

## Strategic Intervention

SLF base on the definition focus attention on developing the underlying resources (livelihood assets) and capabilities needed to escape poverty on a sustainable level. It depicts the developing mass of assets (livelihood assets) needed to cope with stresses and shocks and to maintain and enhance capabilities now and in the future. I put it forward here that every interventions of whatever form must recognises that everyone has asset on which to build and support individuals and families to acquire the “ Building asset” needed to function for a long term well being.

The idea of capabilities and assets as a means of sustainable livelihood have been popularized by authors such as ad Ellis (2002), Scoones (1997), Bebbinton (1999), Moser (2005) and DFID (1999). The SLF formalises such idea into a useable model for assessing interventions and their impact on the poor household livelihood. The framework is summarised diagrammatically in fig 1 below; The first box on the left show the ‘ vulnerability context’ experienced by the poor- trends: such as economic trends, resource trends, shocks: such as conflict, economic shocks, health shocks and natural shocks such as earthquakes and seasonality: seasonal fluctuations in prices, production, health, employment (Haidar, M. 2009 http://css. escwa. org. lb/SDPD/1125/UNDP. pdf). This explores the context that produces and extends people’s susceptibility to poverty at two levels: the individual and their conditions, and broader institutions and structures that control the options that are open to them. The “ Vulnerability Context” acknowledges that while people can and do make choices that use up their assets and make their lives less stable, there are powerful external structures and forces that combine to consolidate a long-term cycle of poverty. (Did FTF do anything about this?)

The second box depicts the types of asset stocks a household can posses and stock. These are the fundamental material and social, tangible, and intangible assets that people use for constructing their livelihoods and as allowed by the vulnerability context (Scoones, 1998). Figure 2 show what strategic interventions are meant to achieve; (the livelihood outcome)helping the poor build up assets and reducing their vulnerability thereby producing outcome that help the poor help himself out of poverty sustainably. Figure 3 is an asset pentagon showing the interplay between these assets and what each of it includes. These three figures will guide our review on going in this chapter.

The asset pentagon is linked to ‘ institution and policy’ context in both directions, to show the interplay between the two; the household asset structures are both influence and are influenced by policies and institution context. Both in turn determine livelihood strategies and eventual livelihood outcome. Since our interest in this paper is on impact that can produce sustainable livelihood for a farmer household, we will dwell on institutions here and later focus more on impact of interventions in growing up the Building assets also refer to as livelihood resources or assets needed by the farmer household to enjoy sustainable livelihood (Ashley and Carney. 1999).

Changing Structures and Processes within the livelihoods framework are the institutions, organizations’ policies and legislation that shape livelihoods. Their importance cannot be over-emphasized. They operate at all levels, from the individual, household and to the international sphere, and in all areas, from the most private to the most public. (DFID, 1999, Meikle et al., 2001)

They effectively determine:

Access (to diver types of capital, to livelihood strategies and to decision-making system and sources of control); (Meikle et al., 2001)

The type of exchange between different types of capital; and

Outcomes (financial and otherwise) to any given livelihood strategy. (Scoones, 1998, DFID, 1999)

By looking at the context provided by Ghana institutions and their current policies, we can understand some of the constraints and opportunities, and develop strategies to build a more enabling environment through strategic intervention or project.

There could be a dangerous trend that positive result in ‘ process’ terms may present false security that outcomes are being achieved; in other words, the very resources that the process try to sustain are still being destroyed. In Ghana’s case for example, extensive diminution of the country’s tropical rainforest continued during the time when the Vision 2020 was being planed (Vordzorgbe et al 2001)

## The Building Assets

We begin to talk about the building assets of figure 1 by looking at it from figure 2 above. My proposition here is “ it is not enough to raise household income above a national poverty line; it is equally important for households to acquire a capacity to prevent them from falling back into poverty when exposed to shocks” (FAO, 2004). In other words, interventions that develop poor people’s human and social capital in addition to developing their physical, financial and natural capital are more effectual in reducing poverty than those that overlook human and social capital while building other types of capital to reduce poverty on a sustainable basis (FAO, 2004). The availability of these assets and in good proportion is needed by a poor to help him out of poverty. It means equipping individuals with the capital needed to negotiate successfully the routes out of deprivation and limited choices must be the goal of every intervention. The Sustainable Livelihoods framework recognize five broad asset areas that offer a holistic representation of all the capabilities, resources and entitlements that people have invested in and build up over time (ODI, 1999, 2002; DFID, 1999). The framework avoids the unhelpful, ‘ deficit-based’ approach that is so popular in the social and economic development fields, directing interest rather on assets (DFID, 1999; ODI, 2001)) The Building Assets on which a livelihood strategy depended on can be presented diagrammatically as Asset Pentagon indicating the interplay of personal, physical, social, financial and human assets as shown in figure 3 below.

The five broad asset areas according to Chamber and Conway (1988); Scoones, (1997), and DFID, (1999) are:

Social Assets (Social Capital)

The social relationships that people can draw upon to accomplish their goals

Creating a foundation of networks and contacts, improve support structures, making developing other assets easier

## Physical Assets

Needs for food and housing

Natural resources availability in a sustainable way

Access to the information and services needed to pursue a livelihood

## Human Assets

Suitability for employment, like education, knowledge, skills and leadership

At the centre of all livelihood strategies, yet not adequate on their own to guarantee progress in the direction of a sustainable livelihood

Includes healthy ability to participate in the economy

## Personal Assets

Includes sense of cultural and personal identity, value system, ethics, religious and other beliefs

Sense of worth, self-drive and self- confidence, as well as enthusiasm and strength

Less tangible assets that the poor bring to the process of personal development

## Financial Assets

Income, money and economic security (including access to financial entitlements from the state)

Important entry-point for transformation and improvement: the capability to earn income and decide how it should be allocated provides people with a powerful means of building up a wider collection of assets

The intervention, which builds on philosophy of building assets and a livelihoods focus, also integrates principles of reduced vulnerability and sustainability as vital to achieving long-term poverty reduction (FAO, 2004, Scoones, 1998), “ the choice of livelihood strategies available to a household is dependent on the basic material and social, tangible and intangible assets that people have in their possession” (Scoones, 1998). It therefore follows that a successful intervention must have impacted these Building assets positively and in a sustainable manner to help the poor. Most of this capital amassing is associated with the possession of capability (personal capacity) this according to Amartya Sen, create the potential to achieve desired functioning in the different domains of life. Sen argues further that variation in these capabilities is responsible for observed inequality (Schuller, Bynner and Feinstein, 2004). Both at individual and household level Assets are the building blocks of a sustainable livelihood. People support themselves both in surviving and in coping with the context that makes them vulnerable to poverty by pursuing various asset-building strategies, so that they can move towards stability and sustainability. Too few range of assets makes people susceptible to poverty and social exclusion (Moser, 2005),” lacking assets is both cause and outcome of poverty” (World Bank, 2000)

## Analysis of Household http://www. fao. org/sd/seaga/downloads/En/RHREn. pdf

Household as a concept is based on arrangement by individuals to provide themselves with food and other essentials of life, and may be an individual or group of individual with some specific conditions keeping them together. Members may be related or unrelated persons or combination of both and may pool together their resources to pursue common budget to a greater or lesser extent. Most definitions of household emphasises co-residence (includes those individual who normally live with the others of the household but are away temporarily), and a basic unit for socio-cultural and economic analysis, and its structure is an outcome of different interplays in the social realm. It is importantly influenced by culture, religion and survival strategy or the risk preference of the head of such household. Household can be simple as in nuclear family and extremely complex as in extended and polygamous family (FAO, 2004). It is very clear there is still no consensus on the concept of a household or what can be classified as one as revealed by the following definitions of a household

Matlon (1988) defines a household as “ the smallest group of persons usually, but not exclusively kin- related, who form a more or less independent production and consumption unit during the cropping season”. Households in general cover people who live in the same residence and have common arrangements for fundamental family and/or reproductive activities such as cooking and eating (Chant, 1997). Gebremedhin (1997) see it this way “ a social and economic unit on which its members depend for economic survival, maintenance, and social advancement. It also serves as the centre point for biological production, socialization, organization, planning and distribution of resources”. For Ellis (2000) quoting; Meillassoux, 1981; Ellis, 1993 Ch. 1″…social group which reside in same place,” . The key word here is resident.

Star;, 1991; Preston;, 1994″… represent coalition of players” the key word here is coalition and not necessarily resident.

Rook and Lloyd, 1997 exchanged the word household with family.

However for this study we shall take a household to as individuals who live in the same residence and have common arrangements for fundamental family and/or reproductive activities such as cooking and eating (Chant, 1997).

## Linking Household characteristics to Livelihood

Livelihood pursue by individual and the total life lived can be linked with their household characteristic, especially the head of the family. The number of adult in an agrarian household has been described as an advantage for farm labor and also on and off farm wealth creation. It is not unusual to have a very large family in many rural areas, developed by the household head to help in the farm. It therefore means that household structure is at the centre of livelihood strategy adopted and usually an attempt to maximize income in relation to available labor (Scoones, 1998, Zheng, 2004). By extension household members bring together their skills, knowledge and capabilities with the different resources they posses (livelihood assets) to create activities that will provide them opportunity to build the best possible livelihood for every member (Messer and Townsley, 2003)

Some variables were expected to be a determinant of livelihood strategies by households in the area of study. This is in order to deal with the issue of impact of engagement and intervention on household livelihood, strategies and levels of well-being as determined within diverse rural areas. Since a household’s livelihood strategy depends on the stock of access available to the member, the following (listed below) according to literature determine access and choices available in any given context especially in developing countries.

Sex: Sex refers to whether female or male. This is important since men and women have different access to resources and opportunities (Ellis, 2000). Sex compositions of a family determine the livelihood strategy and available options. Many women’s advocates in the last three decades have been arguing that women are poorer than men. There are reasons to be concerned about this, since women are subject to unequal opportunity in work place, credit and a variety of other markets and they posses less property than men (Cagatay, 1998; Ellis, 2000 and MoFED, 2002). Household headed by a female instead of a male may face deprivation and fewer opportunity than the male headed households There seems to be no disagreement on the fact that FHHs are generally at disadvantage in relations to access to credit, market, education, health care, land, livestock, other assets, and extension services, however it is important to consider that whether they are poorer is very contentious as literatures and studies have shown this is not always so. While FAO (2006) study in Southern Ethiopian found FHHs destitute, the story was different in Nigeria, Ghana and Uganda where they were better off than their male counterpart (IFAD, 1999; Warren, 2002). http://www. ifad. org/gender/learning/challenges/women/60. htm

Age of household: Age here means age distribution of the members of the household. The study conducted by Destaw (2003) and Berhanu (2007) have revealed that age has considerable effect on livelihood diversification. Household with older members participate less in the agricultural paid labor market, but receive more income in form of remittance from somewhere else (Reardon et al., 1992). A household with more adult have access to farm labor that is not available to those with children. It is anticipated that A household with more adult have more opportunity due to better possession of resources for growth (land and livestock) and likely to be diversifiers of livelihood (Berhanu 2007).

Educational level of household: This refers to the level of education of members in years. Learning equips persons with the required knowledge of how to construct living. The literacy level of household head in particular and the education levels of members of households’ in general affect households’ livelihood choices and diversity in various ways (Tesfaye, 2003). Since livelihood is dynamic literate individual are more favored; able to develop better off strategies always. Warren, (2002) explained how education determines the capability of finding a job outside own farm in a bid to diversify. In other words households with more literate members have access to working off-farm in better remunerated occupations, earn more and for a better livelihood.

Family size: – Family size refers to the size of household members in numbers which was expected to determine the households’ choice of diversified livelihood strategies positively. Family size either determines the availability of family labor if most are adult or, large family size demands large amount of production to feed its members if majority are children, i. e., as family size increases, the demand for food increases and if the members cannot contribute to production because of their age then there will be shortfall. This means the larger the family size in adult equivalent the higher the probability to participate in varied income sources (Bezmer and Lerman, 2002; Berhanu, 2007).

## Fairtrade Movement Impact Analysis using SLF

Fair Trade is a trading partnership, based on dialogue, transparency and respect that seek greater share and fairness in international trade. It contributes to sustainable development by offering better trading conditions to, and securing their rights of, disadvantaged producers and workers – especially in the South (FINE, 2001).

Fairtrade movement is an Alternative Trading Organisation (ATO) pursuing an alternative approach to poverty eradication in developing countries of Asia, Africa and South America through fair trade dealing and access to global market. Specifically, the definition(note sustainable development) Standard One, Creating Opportunities for Economically Disadvantaged Producers; Standard Four, Payment of a Fair Price; Standard Six, Non Discrimination, Gender Equity and Freedom of Association; Standard Eight, Capacity Building and Standard Ten, Environment of Fairtrade (see appendix one for full version of the ten standards) are all directed at not only impacting the financial asset of the poor producers but also to create access that will enable them enjoy sustainable livelihood (WFTO website). The significance of using SLF lens is that it is all-inclusive enough to permit us to develop a checklist of main issues for cocoa farmers’ engagement with Eairtrade and draft out the linkage to each other. It identify that different strategies may be followed simultaneously, including on- and off-farm work. “ The sustainable livelihoods framework provides a useful conceptual tool to assess the poverty impact of fair trade initiatives, and would suggest an investigation of:

The impact of fair trade on community and household assets;

The influence of policies, institutions and structures on livelihoods;

The nature of the “ vulnerability context” faced by poor producers and traders, particularly seasonal and exogenous price movements and climatic variability; and

The interrelationship between these assets, processes and vulnerabilities and their effective impact on livelihood options and outcomes.” (Oxfam, 2000).

The SLF provide opportunity allowing some of potential impacts of Fairtrade to be assessed like in area of education, skills, health, organizational impacts, environmental impacts, socio-economic impact on communities and so on. These need to be explored further through rigorous evaluation studies. (Utting, 2008; Paul, 2005)

The SLF approach is first and foremost concerned with people by seeking to gain a precise and practical understanding of people’s assets or capital endowments and how they attempt to convert these into constructive livelihood outcomes. The approach is predicated on a belief that the poor need a range of assets to achieve better livelihood outcomes; categories of assets must mixed and act together to yield all the many and varied livelihood results that people seek (DFID, 1999). According to IFAD, SLF was developed in response to dissatisfaction with the result of development intervention by various organizations and with empirical study that revealed that, “ Poverty reduction is not something that governments, development institutions or NGOs can do for the poor. They can forge partnerships and help promote the conditions in which the poor can use their own skills and talents to work their way out of poverty.” (IFAD Rural Poverty Report 2001) SLF was therefore not invented but evolve from the late 1980s through 1990s and still evolving to present in a dynamic manner. It is based on evolving thinking about the way the poor and vulnerable lives their lives and the importance of policies and institutions. It helps assess development activities revealing whether they are relevant and are able to produce the expected outcomes on the poor household. Approaches contributing to the development of SLF make it the best for analysing Fairtrade impact and includes the following, participatory approach to development (FT deal with Co-operative organisation not an individual), farming system research (FT deals with farmers in this study), recognition of some of the limitation of micro-finance (provide provide credit to producers through the coop organisation and by down payment by buying organisation) and new approach to multi- dimensional analysis of poverty. Core SLF Principles on which the framework was built argue that Poverty-focused development activity should be construed as follows;

1. People-centred: sustainable poverty elimination will be achieved only if external support focuses on what matters to people, understands the differences between groups of people and works with them in a way that is congruent with their current livelihood strategies, social environment and ability to adapt.

2. Dynamic: external support must recognize the dynamic, nature of livelihood strategies, respond flexibly to changes in people’s situations, and develop longer-term commitments

3. Responsive and participatory: poor people themselves must be key actors in identifying and addressing livelihood priorities. Outsiders need processes that enable them to listen and respond to the poor.

4. Multi-level: poverty elimination is an enormous challenge that will only be overcome by working at multiple levels, ensuring that micro-level activity informs the development of policy and an effective enabling environment, and that macro-level institutions and policies support people to build upon their own strengths (capabilities).

5. Conducted in partnership: with both the public and private sector

6. Sustainable: there are four key dimensions to sustainability – economic, institutional, social and environmental sustainability. All are important – a balance must be found between them (we are using 5 asset areas) depending on the livelihood strategy adopted and the scale at which we study. (Bartlett, 2002)

Identifying the type livelihood resources (or combinations of ‘ Building assets’) required for different livelihood strategy combinations for a household is a key step in the process of successful intervention by fairtrade. In the case of farmer’s household, according to Scoones (1998), “ successful agricultural intensification may combine, in some circumstances, access to natural capital (e. g. land, water etc.) with economic capital (e. g. various income, credit etc.), while in other situations, social capital (e. g. social networks performing a local institution role for example cooperatives) may be more significant.” This is linked direct; y to Fairtrade building the capability of farmers in Ghana. Local knowledge and the historical context of how the people concerned have sequenced and combined the livelihood resources in the search of different livelihood strategies is importantly the first step to be taken (Ashley and Carney, 1999). Discovering the links between such complex and dynamic processes and the outcomes of different strategy combinations is therefore a key part of producing a positive sustainable livelihoods (ADB, Scoones, 1998). There is need to identify the three major livelihood strategies to distinguish which capital or assets are Building to its achievement. Such livelihood strategy may involve the use of range of tactics, which may include stint, board, protect, deplete, claim, borrow, share, steal, and so on (Chamber and Corway, 1992; Scoones, 1998).

The livelihood framework clearly demonstrates that Organizations play the role of mediating agencies determining the access of individual or household to livelihood assets they require for wellbeing. In other words it reveals the contribution of cooperatives – as mediating agencies – to poverty reduction (Wanyama et al, 2008). Since prevailing form of organization on the fair-trade market is cooperatives then this framework will help our study of its impact on household livelihood. A SLF approach is underpinned by a commitment to poverty eradication which should be the ultimate outcome of intervention (ODI, 2001). Since SLF approach is a holistic framework, it provide different ways in which intervention may enter either through direct impact on the livelihood Building assets or indirectly through institutions and local organisation strengthening. It is therefore very useful and has been adopted for impact analysis globally

Organisations currently using SLF for their impact analysis by category are:

International NGOs – CARE, Save the Children, OXFAM and Intermediate Technology Development Group (ITDG)

Bilateral Organisations – DANIDA, SIDA and DFID

Multilateral – World Bank, FAO, IFAD, WFP and UNDP

Impact of Fairtrade on the household livelihood by the intervention will be analysed in detail in chapter four of this paper.

Figure 4

## Dynamic of change – Sustainable livelihood outcome:

Potential livelihood outcomes can include more income, increased well-being, reduced vulnerability, improved food security, more sustainable use of the natural resource base, and recovered human dignity, between which there may again also be conflict. In other words livelihood outcomes are the achievements of livelihood strategies. Individuals and households will usually try to achieve multiple outcomes, which may include:

more income

increased well-being

reduced vulnerability

improved food security

more sustainable use of natural resources

Livelihood outcomes feedback into household assets, with for example more cash income increasing a household’s financial capital. Livelihood assets are resources needed to produce livelihood outcome, well being.

Source: After Swift, 1989; Drinkwater, 1994; Carney, 1998; Frankenberger and Drinkwater, 1999

The five types of assets (financial, social, human, personal, and physical) as shown in the above diagrams must be accessible to the poor and available for use at different context to achieve sustainable livelihood. It therefore follow that interventions directed at achievement of we