**Chapter One: The Concept of Livelihood**

* 1. **. Concepts And Definitions of Livelihood**

The concept of a livelihood is widely used but its meaning appear elusive in different sources. Its dictionary definition is a means to a living/ the means of gaining a living/ i.e. a combination of the resources used and the activities undertaken in order to live. Livelihoods are understood not only in terms of income earning but a much wider range of ways and activities in which a living is obtained. All activities involved in finding food, searching for water, shelter, clothing and all necessities required for human survival at individual and household level are referred to as a livelihood. 567890-A livelihood comprises the capabilities (being and doings), activities, assets (natural, physical, human, financial and social capita) and the access to these (mediated by institutions and social relations) required for a means of living.

The term livelihood attempts to capture not just what people do in order to make a living, but the resources that provide them with the capability to build a satisfactory living, the risk factors that they must consider in managing their resources, and the institutional and policy context that either helps or hinders them in their pursuit of a viable or improving living.

Every aspect of livelihoods is interwoven in a complex and influential way. Livelihoods are shaped by a multitude of different forces and factors, which are themselves constantly changing. The construction of a livelihood is ongoing process. Assets can be built up, eroded, or instantaneously destroyed. Available activities fluctuate seasonally in relation to larger economic trends in the national economy & beyond. Access to resources & opportunities may be changed due to shifting norms & events in the social and institutional context.

**Livelihood system:** isthe mix of survival strategies developed over a given period of time that seeks to mobilize available resources and opportunities. Livelihood systems are also seen to embrace the arrangement of reproductive tasks and responsibilities, including domestic work and child-rearing that accompanies and makes possible participation in paid work and public participation.

* 1. **Livelihood as an integrating concept**

A household livelihood may be ensured through the integration of security, sustainability & livelihood. **Livelihood**: adequate stocks & flows of Food& cash to meet basic needs.

**Security**: secure ownership of or access to resources and income earning activities

**Sustainable**: the maintenance or enhancement of resources on a long term basis.Therefore livelihood is considered as an integrating concept since sustainable livelihood security was a pre-condition for stable human population and a pre-requisite for good husbandry and sustainable management etc.

* 1. **. Livelihood Strategies**

The ability to pursue different livelihood strategies is dependent on the basic material, social, tangible and intangible assets that people have in their possession. Livelihood Strategies are ways adopted to achieve livelihood objectives /outcomes. It comprises the range & combination of activities & choices that people undertake in order to achieve their livelihood goals. Within the sustainable livelihoods framework broad clusters of livelihood strategies are identified; agricultural intensification/intensification, livelihood diversification, migration and (Non)**-**Natural resource based

**Natural resource based:** The majority of rural dwellers will plan on ways to make a living, based directly on the natural resources around them e.g. subsistence farmers, fishers, hunter/gatherers, plantation managers.

**Non-natural resource based**: Some rural dwellers and most urban-based people will opt to make a living based on created resources ranging from begging, service jobs, drivers, government jobs to shop-keeping.

**Agricultural intensification/intensification:** The most common use of these two terms is to refer to the quantity of other resources that combine with a given amount of land. These other resources can be labor (family members or draught animals), implements, manure, buildings, etc.

**Agricultural Intensification:** A small farm size is combined with large quantities of other production resources are referred to as intensive cultivation. Agricultural intensification has been defined as increased average inputs of labor or capital on a smallholding either cultivated land alone or on cultivated and grazing land for the purpose of increasing the value of output per hectare. Agricultural intensification usually means a greater input of resources, especially labor into a given area of land or in other words a high input, high output system. Intensive agricultural systems are those where the input per area and the return per area are high, but the return per capita is low.

**Intensification of agricultural production:**

• Equal amount of land, increasing input of resources (technology) and/or labor

• Decreasing amount of land, equal input of resources (technology) and/or labor

•Increasing the frequency of cultivation – increased groundwater recharge often permits cultivation of a second crop, or ‘life-saving’ irrigation of a main crop; and

•Adopting new technologies, such as improved varieties of staple crops, higher levels of input use and higher yields; shifts to the cultivation of higher value crops in some areas;

**Agricultural Extensivfication:** Refers to a large area farm size (i.e. a farm with a large area of arable land) that is combined with small quantities of other resources (mostly labor). It refers to lower returns per area, or per unit of labor or technology. Extensification of the agricultural production is by definition, a relative extension of the area under cultivation without expanding the existing labor force or other input.

**Extensification of agricultural production**

• Increasing amount of land, equal input of labor and/or other resources (technology)

• Equal amount of land, decreasing input of labor and/or other resources (technology)

**Livelihood Diversification**

It is defined as the range and combination of activities and choices that people make in order to achieve their livelihood goals. It comprises short term to long term range of activities that generate a means for survival. These activities the household engage in for their survival in turn is depend on asset bases that mediated by institutions and social organizations. As a result of continuous change in these social factors, people in rural areas develop their own coping mechanism and adaptation strategies.

**Livelihood diversification as strategy may be: Necessity**- involuntary and distress reasons for diversification and a**choice**- voluntary and proactive reason for diversification.

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| **Supports for and Constraints to Livelihood Diversification**  **Macro-economic and policy context**: population, urban centers in proximity, market access, restrictions on internal and/or cross border movement and trade, government policies, policies that encourage decentralization and the development of small-scale labor-intensive enterprises, labor availability etc.  **Physical environment:** the natural resources base like land, water forest etc.  **Seasonality**: climatic risk and uncertainty, poor harvests and seasonal attacks of disease  Lack of flexibility in ecological management, economic activities and livelihood strategies  **Skills**: availability of education and skills training centers etc.  **Time**: enough time to pursue diversification strategies  **Institutions**: norms, rules and values that (dis)favor certain groups from participation in certain activities, from informal credit markets  **Membership of organizations:** exclusion of the poorest from membership |
| **Presence of NGOs:** lack of support for new income generating activities |
| **Access to other means to diversify:** unavailability of credit |

**Determinants of livelihood diversification**

**Seasonality:** means that continuous household consumption needs are mismatched with uneven income flows. The production cycle of crop and livestock enterprises are determined by the onset of rains, their duration or season.

**Risk Management:**  The assumption is that the previous experience of crop or market failure.

**Labor Market: The** availability of surplus household labor in the presence of labor

**Credit Market Failures: poor functioning of** rural financial due to risk of defaulters on loan, high transaction cost of banking and absence of collateral to put up against loans.

**Availability of key-asset:** Availability of key assets

**Gender relationship:** Gender relationships are important in shaping diversification processes.

**Migration**

Migration (human) is the movement of people from one place to another in the world for the purpose of taking up permanent or semi-permanent residence. Migration occurs at a variety of scales: inter-continental (between continents), intra-continental (between countries on a given continent), and inter-regional (within countries). One of the most significant migration patterns has been rural to urbanmigration—the movement of people from the countryside to cities in search of opportunities.

**Types of Migration**

**Internal Migration:** Moving to a new home within a state, country, or continent.

**External Migration:** Moving to a new home in a different state, country, or continent.

**Emigration:** Leaving one country to move to another.

**Immigration:** Moving into a new country

**Population Transfer:** When a government forces a large group of people out of a region, usually based on ethnicity or religion. This is also known as an **involuntary** or **forcedmigration.**

**Impelled Migration (also called "reluctant" or "imposed" migration):** Individuals are not forced out of their country, but leave because of unfavorable situations such as warfare, political problems, or religious persecution.

**Step Migration:** A series of shorter, less extreme migrations from a person's place of origin to final destination—such as moving from a farm, to a village, to a town, and finally to a city.

**Chain Migration:** A series of migrations within a family or defined group of people, which often begins with one family member who sends money to bring other family members to the new location.

**Return Migration:** The voluntary movements of immigrants back to their place of origin.This is also known as **circular migration**.

**Seasonal Migration:** The process of moving for a period of time in response to labor or climate conditions.

**Why Do People Migrate?**

**Push Factors:** Reasons for emigrating (leaving a place) because of a difficulty such as a food shortage, war, flood, etc.

**Pull Factors:** Reasons for immigrating (moving into a place) because of something desirable such as a nicer climate, better food supply, freedom, etc.

Several types of push and pull factors may influence people in their movements (sometimes at the same time), including:

**1. Environmental** (e.g., climate, natural disasters)

**2. Political** (e.g., war)

**3. Economic** (e.g., work)

**4. Cultural** (e.g., religious freedom, education)

5. **Place Utility:** The desirability of a place based on its social, economic, or environmental situation, often used to compare the value of living in different locations.

**Impacts of Migration**

Human migration affects population patterns and characteristics, social and cultural patterns and processes, economies, and physical environments. As people move, their cultural traits and ideas **diffuse** along with them, creating and modifying **cultural landscapes**.

**1.4. Livelihood Assets, vulnerabilities, risks and coping strategies**

**Livelihood Assets**

The combination of capital and the transformation of such a combination would be transferable to other livelihood settings. Furthermore, it would be interesting to evaluate the potential for substitution between different capitals, for instance a replacement of a lack of financial capital – as is often the case in the reality of poor stakeholders – through a better endowment with social capital.It seeks to gain an accurate and realistic understanding of people’s strengths (assets or capital endowments) and how they endeavor to convert these into positive livelihood outcomes.

**ASSETS** are what people use to gain a living. They are the core aspects of a livelihood. Assets are not simply resources that people use in building livelihoods: they are assets that give them the capability to be and to act. The possession of human capital not only means people produce more, and more efficiently; it also gives them the capability to engage more fruitfully and meaningfully with the world, and most importantly the capability to change the world.

Assets are not only as things that allow survival, adaptation and poverty alleviation: they are also the basis of agents of power to act and to reproduce, challenge or change the rules that govern the control, use and transformation of resources.

Assets are vehicles for instrumental action (making a living), hermeneutic action (making living meaningful) and emancipator action (challenging the structures under which one makes a living)

Assets can be classified into five types – *human, social, natural, physical and financial*. People will access assets in different ways, e.g. through private ownership or as customary rights for groups.

* **Human Capital**

In the field of development studies, “human capital” is a very wide used term with various meanings. However, in the context of the SLF it is defined as follows: "Human capital represents the **skills, knowledge, ability to labor**and **good health and** physical capability important for the successful pursuit of different livelihood strategies;that together enable people to pursue different livelihood strategies and achieve their livelihood objectives" (DFID, 2000). At the household level it varies according to household size, skill levels, leadership potential, health status, etc. and appears to be a decisive factor - besides being intrinsically valuable - in order to make use of any other type of assets. Therefore, changes in human capital have to be seen not only as isolated effects, but as well as a supportive factor for the other assets.

**Why is it important?**

As well as being of intrinsic value, human capital (knowledge and labor or the ability to command labor) is required in order to make use of any of the four other types of assets. .

**What can be done to build human capital for the poor?**

Support to the accumulation of human capital can be both direct and indirect. In either case it will only achieve its aims if people themselves are willing and able to invest in their own human capital by attending training sessions or schools, accessing preventative medical services, etc.

* **Social Capital**

Social capital is the social resources upon which people draw in seeking for their livelihood outcomes, such **as networks and connectedness**, that increase people's trust and ability to cooperate or **membership in more formalized groups** and their systems of rules, norms and sanctions.

It is divided into three:

* **family and kinship connections** - relating to the single household, the extended family, or the clan, based on `strong' ties of blood and affinity;
* **Social networks, or 'associational life' -** relating to groups and organizations that link individuals belonging to different families or kinship groups in common activities for different purposes.
* **cross-sectional linkages, or ‘contacts spanning differences in sector and power'** - we may refer to these as `networks of networks' that link together organizations belonging to different sectors of society (NGOs, grassroots organizations, government agencies, private firms)

**Social capitals are developed through:**

• **Networks and connectedness,** either vertical (patron/client) or horizontal (between individuals with shared interests) that increase people’s trust and ability to work together and expand their access to wider institutions, such as political or civic bodies;

• **Membership of more formalized groups** which often entails adherence to mutually-agreed or commonly accepted **rules, norms and sanctions**; and

• **Relationships of trust, reciprocity and exchanges** that facilitate co-operation, reduce transaction costs and may provide the basis for **informal safety nets** amongst the poor.

**Why is it important?**

This means that social capital has a direct impact upon other types of capital:

**Is it always positive?**

Social capital can be used in negative as well as positive ways:

• Those that are excluded from strong groups that convey multiple benefits may be disadvantaged in a variety of other ways (e.g. landless women with few skills).

* **Natural capital**

Natural capital is made up of the natural resources used by people: air, land, soil, minerals, water, plant and animal life. They provide goods and services, either without people’s influence, (forest wildlife, and soil stabilization) or with their active intervention (farm crops, tree plantations). Natural capital can be measured in terms of quantity and quality (acreage, head of cattle, diversity and fertility). Natural capital is important for its general environmental benefits, and because it is the essential basis of many rural economies, (in providing food, building material, fodder). This is probably the easiest asset to understand, because agrobiodiversity, as such, forms a natural capital.

* **Physical capital**

Physical capital is derived from the resources created by people. These include buildings, roads, transport, drinking-water, electricity, communication systems and equipment and machinery that produce more capital. Physical capital is made up of producer goods and services and consumer goods that are available for people to use. Physical capital is important, because it directly meets the needs of people through provision of access to other capital via transport or infrastructure.

* **Financial capital**

Financial capital is a specific and important part of created resources. It comprises the finance available to people in the form of wages, savings, and supplies of credit, remittances or pensions. It is often, by definition, poor people’s most limiting asset. Although it may be the most important, as it can be used to purchase other types of capital, and can have an influence, good and bad, over other people.

To Sum up: the ability to pursue different livelihood strategies is dependent on the basic material and social, tangible and intangible assets that people have in their possession. In order to create livelihoods, therefore, people must combine the ‘capital’ endowments that they have access to and control over. These may be made up of personal capabilities, tangible assets (e.g. stores and material resources) and intangible assets (claims and access).

**The asset pentagon**

The asset pentagon lies at the core of the livelihoods framework, ‘within’ the vulnerability context. The pentagon was developed to enable information about people’s assets to be presented visually, thereby bringing to life important inter-relationships between the various assets. The shape of the pentagon can be used to show schematically the variation in people’s access to assets. The idea is that the center point of the pentagon, where the lines meet, represents zero access to assets while the outer perimeter represents maximum access to assets. On this basis different shaped pentagons can be drawn for different communities or social groups within communities.

**Relationships within the framework**

***Relationships between assets***

**Two types of relationship are particularly important:**

**• *Sequencing*:** Do those who escape from poverty tends to start with a particular combination of assets? Is access to one type of asset (or a recognizable sub-set of assets?)

• ***Substitution*:** Can one type of capital be substituted for others?

* ***Relationships with other framework components***

Relationships within the framework are highly complex.

**• *Assets and the Vulnerability Context***: assets are both destroyed and created as a result of the trends, shocks and seasonality of the *Vulnerability Context*.

• ***Assets and Transforming Structures and Processes***: The institutions and policies of the

*Transforming Structures and Processes* have a profound influence on access to assets. They:

(a**) Create assets** – e.g. government policy to invest in basic infrastructure (physical capital) or technology generation (yielding human capital) or the existence of local institutions that reinforce social capital.

(b) **Determine access** – e.g. ownership rights, institutions regulating access to common resources.

(c) **Influence rates of asset accumulation** – e.g. policies that affect returns to different livelihood strategies, taxation, etc.

However, this is not a simple one way relationship. Individuals and groups themselves influence

* ***Transforming Structures and Processes*.** Generally speaking the greater people’s asset endowment, the more influence they can exert.

• ***Assets and Livelihood Strategies*:** Those with more assets tend to have a greater range of options and an ability to switch between multiple strategies to secure their livelihoods.

• ***Assets and Livelihood Outcomes*:** Poverty analyses have shown that people’s ability to escape from poverty is critically dependent upon their access to assets.

* 1. **Rural livelihoods: The Sustainable Livelihoods Framework: a framework for analysis**

The Sustainable livelihoods Approach is a holistic approach that tries to capture and provide a means of understanding the fundamental causes and dimensions of poverty. It tries to sketch out the relationships between the different aspects (causes, manifestations) of poverty by allowing for more effective prioritization of action at an operational level.

The framework does not work in a linear manner and does not try to present a model of reality. It is one way but not the only way of organizing the complex issues surrounding poverty. It is dynamic approach, which is continuously modified, adapted and made appropriate to local circumstances andpriorities. The framework depicts stakeholders as operating in a Context of Vulnerabilitywho have access to certain Assets.Mediated by the prevailing social, institutional and organizational environment (Transforming Structures and Processes). Follow certain Livelihood Strategies they adopt to achieve their Livelihood Outcomes.

Livelihoods are shaped by a multitude of different forces and factors, which are themselves constantly changing. The sustainable livelihoods framework presents the main factors affecting people’s livelihoods, and typical relationships between these, their relative importance and the way in which they interact. The framework can be used in both planning new development activities and assessing the contribution to livelihood sustainability made by existing activities. In particular the framework: provides a checklist of important issues and sketches out the way these link to each other; draws attention to core influences and processes; and emphasizes the multiple interactions between the various factors affecting livelihoods.

**The Vulnerability Context**

The extent to which people’s assets can be built up, balanced and how they contribute towards their livelihoods depends on a range of external factors that affect people’s abilities to gain a living. Some of these factors will be beyond their control and may exert a negative influence. This aspect of livelihoods can be called the vulnerability context. This context must be understood, as far as possible, so as to design ways to mitigate the effects.

**1. Trends**: These are gradual and are relatively predictable. Changes may relate to population, resources, economy, governance or technology. They can have both a positive and negative effect. Examples of negative trends are:

­ **Gradual degradation of natural resource quality**: The processes of desertification can lead to the loss of valuable plant and animal species.

­ **Excessive population increase** which can lead to increased pressure on local resources resulting in unsustainable use and depletion.

­ **inappropriate development in technology** may displace local crop or livestock species varieties.

­ **Undesired changes in political** representation might lead to political systems that exploit local naturalresources.

­ **General economic** stagnation may lead to increased poverty, and result in the unsustainable management oflocal resources. This could, for instance, lead to the depletion of certain plant genetic resources.

**2. Shocks** - Some external changes can be sudden and unpredictable. They may be related to health, nature,economy, or relations. Generally, they are far more problematic. Examples are:

­ **Climatic extremes**includes drought, flood, earthquake, which could wipe out the existing plant or animal resources.

­ **Civil disturbance** (revolution) could affect social structures, which may result in the interruption of knowledgetransfers for the management of animal or plant genetic resources.

­ **Outbreaks of disease**, e.g. HIV/AIDS could lead to changes in labor resources for agricultural activities.

Certain crops might be abandoned along with the related knowledge of their management.

**3. Seasonality:** Many changes are determined by the seasonal effects of crop production, access and livingconditions. Although short-term, enduring for a season, they can be critical for poor people who have asubsistence livelihood. Examples are changes in:

­ **Prices** – could make production of certain products, and their related plant resources, too expensive andtherefore unattractive. In turn, this may lead to their abandonment.

­ **Employment** opportunities – could change the availability of labor resources, for agricultural production inimportant seasons, leading to the loss of some agricultural practices and crops.

**Policies, Institutions and Processes (PIPs)**

Policies, institutions and processes influence people and the way they make a living. If designed well, these influences on society should be positive. However, depending on their original purpose, some people may be affected negatively. The impact may be enabling or inhibiting, creating or constraining livelihood options and outcomes. Policies, institutions and processes, within the livelihoods framework, are the institutions, organizations, policies and legislation that shape livelihoods. Policies Institutions and Processes (PIPs) are the social and institutional context within which individuals and households develop and adapt livelihood strategies. PIPs encompass a range of issues such as participation, power and authority, governance, laws, public service delivery and social relations. PIPs also directly influence the vulnerability context and are influenced by it. They operate at all levels, from the household to the international arena. They function in all spheres, from the most private to the most public. They effectively determine:

­ **Access** to various types of capital, livelihood strategies, and decision-making bodies and sources of influence

­ Terms of **exchange** between different types of capital; and

­ **Returns**, economic and otherwise, to any given livelihood strategy.

In addition, they directly impact people’s feelings of inclusion and wellbeing. Because culture is included in this area, PIPs account for other unexplained differences in the way things are done in different societies.

Examples of PIPs include:

­ **Policies** – on plant genetic resource use and biodiversity management

­ **Legislation** – on patenting of plant genetic resources, property rights

­ **Taxes**, incentives, etc. – incentives for growing cash crops or improved varieties that could replace local varieties.

­ **Institutions** – extension or research institutions that promote external innovations, and represent the interest of prosperous farmers who depend less on agro biodiversity

­ **Cultures** – concerning gender relationships, which may affect access and decision-making on crop and livestock selection and management.

**Livelihood Outcomes**

The aim of these livelihood strategies is to meet people’s needs, as efficiently and effectively as possible. These needs can be expressed as desired livelihood outcomes of a chosen livelihood strategy. When considering ‘poor’ people, there are five basic outcomes that will usually be most important to them. The priority given to each will depend on the individual’s perception of his or her circumstances. They are as follows:

­ **Increased food security:** A basic requirement for any livelihood is to achieve food security. It is not enough to have adequate food for part of the year and insufficient in another. There must be a secure supply all year round.

**­ Increased well-being:** An increased feeling of physical, mental and spiritual well-being is an important and basic need. To a certain extent, it is dependent on other needs being met.

­ **Reduced vulnerability:** As far as possible, a chosen livelihood should help reduce the effect of the various factors that make life more vulnerable, e.g. drought, conflict.

­ **Increased income:** Clearly, most poor people will want their income increased to an adequate level, and to have the maximum flexibility in meeting their needs.

­ **Sustainable natural resource use:** Since many livelihoods of the rural poor depend on access to natural resources, it is important that their strategies lead to more sustainable use of these resources.

**Chapter Two: The Concept, Principles and Objectives of Sustainable Livelihoods**

**2.1. The concept of Sustainable Livelihoods**

Sustainable Livelihood: It is a way of linking socio-economic & ecological considerations in a cohesive policy-relevant structure. Sustainable Livelihoods can thus be seen as a way of thinking about the objectives, scope and priorities for development, in order to enhance progress in poverty elimination.

Sustainable livelihoods could serve as an integrating factor that allows policies to address development, sustainable resource management and poverty eradication simultaneously.

The term ‘sustainable livelihoods’ relates to a wide set of issues which encompass much of the broader debate about the relationships between poverty and environment. A livelihood is sustainable when it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base and provide sustainable livelihood opportunities for the next generation.

**2.2. Sustainable Livelihoods and the concept of Capability, Equity and Sustainability**

**Capabilities** is the set of alternative: be­ings (i.e. to be adequately nourished, free of illness and so on) & doings (i.e. to exercise choice, develop skills and experience, par­ticipate socially and so on) that a person can achieve with his or her economic, social, and personal characteristics. Capabilities both influence & are in­fluenced by livelihood strategies. Sen (1993; 1997), defined Capabilities asthe ability of individuals to realize their potential as human beings in the sense both of being and doing.

A livelihood can be classified as **sustainable**, when it is resilient in the face of external shocks and stresses, when it is not dependent upon external support, when it is able to maintain the long-term productivity of natural resources and when it does not undermine the livelihood options of others.

**2.3. Sustainable Livelihood Principles and Poverty Reduction**

**The Sustainable Livelihood Principles**

**A. Normative SL principles**

**People-centered:** sustainable development & poverty elimination requires respect for human freedom & choice. The entry point is human element.

**Empowering:** support should result in increased voice, opportunities & well-being for people

**Responsive and participatory:** people must be key actors in identifying & addressing their livelihood priorities.

**Holistic**: understand people’s livelihoods & how these can be enhanced in a holistic way.

**Sustainable**: there are four key dimensions to sustainability – economic, institutional, social and environmental sustainability. All are important – a balance must be found between them. For livelihoods to be considered sustainable they should also contribute net benefits to other livelihoods.

**Dynamic**: people’s livelihoods are dynamic with the institutions, climate, etc.

**B. Operational SL principles**

**Strengths-based:** it is important to recognize and understand people’s strengths; Focus on existing strengths and assets, rather than on problems, weaknesses and needs.

**Multi-level (or micro-macro links):** sustainable development and poverty elimination is only possible by working at multiple levels.

**Conducted in partnership:** using the strengths of different organizations like public and private in the most effective way

**Disaggregated:** understand how the livelihoods of various disadvantaged groups differ in terms of strengths, vulnerabilities and voice and what effect this has

**Long-term and flexible:** poverty reduction requires long-term commitments and a flexible approach.

**2.4. The Sustainable Livelihoods Approach (SLA)**

The sustainable livelihoods approach is a way of thinking about the objectives, scope, and priorities for development activities. It is based on evolving thinking about the way the poor and vulnerable live their lives and the importance of policies and institutions. The sustainable livelihoods approach facilitates the identification of practical priorities for actions that are based on the views and interests of those concerned but they are not a panacea. It makes the connection between people and the overall enabling environment that influences the outcomes of livelihood strategies. It brings attention to bear on the inherent potential of people in terms of their skills, social networks, and access to physical and financial resources, and ability to influence core institutions. The SL approach seeks to improve the lives of poor by building on what they have — their assets. SL approach:

* Captures the importance of the micro-level institutional context in mediating the impacts of the macro-level economic and institutional environment on the well-being of particular individuals and social groups;
* Situates assets in their broader context, focusing on their contribution to realizing the livelihood outcomes of the poor; and
* In net shall the dynamics and multiple dimensions of poverty, ill-being and deprivation (both material dimensions such as low income/ consumption levels, and non-material dimensions such as powerlessness and social exclusion). The value of the SL approach is that it encourages a broad systematic view of the factors that cause poverty — whether these are adverse trends or shocks, basic lack of assets, or poorly functioning policies and institutions — and to investigate the relationship between them.

The SL approach can thus be used for:

* re-assessing existing interventions and activities
* informing strategic thinking and discussion research
* identifying, designing and assessing new initiatives/interventions (projects and programmes)

**Uses, Values and Critiquesof Sustainable Livelihood Approach**

SL approach does not necessarily aim to address all aspects of the livelihoods of the poor. The intention is rather to employ a holistic perspective in the analysis of livelihoods to identify those issues of subject areas where an intervention could be strategically important for effective poverty reduction, either at the local level or at the policy level.The potential for applications of the SLA are manifold and not restricted to livelihood thinking only, as the approach includes ideas of other recent theoretical approaches. Its flexible design and openness to changes makes it adaptable to diverse local settings, where it can be applied to different extents associated to the development research or project objectives. Prior to any development activity the SLA might serve as an analytical tool for the identification of development priorities and new activities in order to understand the way a socially constructed environment works and to find potential beneficiaries or partners in practice.

SLA might be applied in the form of a livelihood analysis to assess how development activities 'fit' with the livelihoods of the poor, whilst the SLF might be of use as a checklist or means of structuring ideas. For instance, how rural livelihoods affect and are affected by natural resource management initiatives and what this implies for these programs.

Within projects or programmes SLA can be used to sharpen the focus of monitoring and evaluation systems. It can be used for analyzing, monitoring and evaluating different projects and programs efficiency. But it does not represent a magic tool being able to eliminate problems of poverty with a single sign, nor is it a complete new idea that will be revolutionary for development research and cooperation. Still, the SLF delivers a good tool to structure development research and increase efficiency of development projects.

Generally, the sustainable livelihoods approach has proved to be of value in a number of areas. The approach is particularly useful for: 1) the systematic and holistic analysis of poverty; 2) providing an informed view of development opportunities, challenges and impacts; and, 3) placing people at the center of development work. 4) improving understandings of poor people’s lives; the constraints facing them, and inter-group differences; 5) increasing inter-sectoral, collaborative, and interdisciplinary community development research and work; and, 6) creating increased links between micro, meso, and macro level considerations in poverty and development discourse. Moreover, the theoretical shift away from the nation-state orientation of community development resulted in advocacy for the analysis of livelihoods of poor and marginalized people from their own perspectives.

**Critiques of sustainable livelihood approach**

From the definition of livelihood, livelihoods approaches are by no means uniformly conceptualized or implemented. As indicated above, a distinction might be made between the applied use of Sustainable Livelihoods Frameworks by donor agencies for development policy, and a broader conception of ‘livelihoods’ used in less applied (‘academic’) enquiries. The latter do not involve the messy and complicated matrices characteristic of the former (Murray 2000), or of how an individual might expand her/his ‘assets pentagons’. The Sustainable Livelihoods approach has been critiqued for glossing over inequalities of power and conflict within or between communities in terms of ethnicity or class, and even for the fact that frequently, the smallest unit of analysis is the household. The approach assumes that households are sites of consensus. This ignores important inequities among men and women, children, and the elderly, both in resource distribution as also in the different ways conflict is manifested or power resisted.

**2.5. The sustainable livelihoods framework: an analytical tool to implement SLA**

Prior to any development activity the SLA might serve as an analytical tool for the identification of development priorities and new activities in order to understand the way a socially constructed environment works and to find potential beneficiaries or partners in practice. The SLA might be applied in the form of a livelihood analysis to assess how development activities 'fit' with the livelihoods of the poor, whilst the SLF might be of use as a checklist or means of structuring ideas. The SLF delivers a good tool to structure development research and increase efficiency of development projects. The SLF forms the core of the Sustainable Livelihoods Approach and serves as an instrument for the investigation of poor people’s livelihoods, whilst visualizing the main factors of influence. Like all models, the SLF is a simplification and does not represent the full diversity and richness of livelihoods, which can only be understood by qualitative and participatory analysis at the local level.

In its simplest form, the framework depicts stakeholders as operating in a Context of Vulnerability, within which they have access to certain Assets. These gain their meaning and value through the prevailing social, institutional and organizational environment (Transforming Structures and Processes). This context decisively influences the Livelihood Strategies that are open to people in pursuit of their self-defined beneficial Livelihood Outcomes.

In other words, the framework provides a checklist of important issues and sketches out the way these link to each other, while it draws special attention to core influences and processes and their multiple interactions in association to livelihoods.

**2.6. Planning for sustainable rural livelihood**

The concept of ‘sustainable rural livelihoods’ is increasingly central to the debate about rural development, poverty reduction and environmental management. Five key elements of the definition can be recognized, each relating to a wider literature with, in some cases, established ways of assessing outcomes. The first three focus on livelihoods, linking concerns over work and employment with poverty reduction with broader issues of adequacy, security, well-being and capability. The last two elements add the sustainability dimension, looking, in turn, at the resilience of livelihoods and the natural resource base on which, in part, they depend.

**I) Creation of working days** – This relates to the ability of a particular combination of livelihood strategies to create gainful employment for a certain portion of the year. This may be on or off-farm, part of a wage laboursystem or subsistence production. Sen (1975: 5) notes three aspects of employment – income (a wage for the employed), production (employment providing a consumable output) and recognition (where employment provides recognition for being engaged in something worthwhile). In terms of the income/production aspects, various target levels have been suggested, but 200 days a year appears to be widely used as a minimum level to create a livelihood (Lipton 1991; 1993). Overall, the number of livelihoods created will be dependent on the proportion of the population available for work.

ii**) Poverty reduction** – The poverty level is a key criterion in the assessment of livelihoods. Various measures can be used to develop an absolute ‘poverty line’ measure based on income or consumption levels (Ravallion 1992; Baulch 1996). Alternatively, relative poverty and inequality can be assessed using Gini coefficient measures. There are a range of pros and cons for each measure, as well as some major measurement challenges (Greeley 1994). However, such quantitative assessments of poverty can be used in combination with more qualitative indicators of livelihoods (Jodha, 1988; Schaffer 1996).

**iii) Well-being and capabilities** – The notions of ‘well-being’ (cf. Chambers 1995; 1997) and ‘capability’ (Sen 1984; 1987) provide a wider definitional scope for the livelihoods concept. Sen sees capabilities as ‘what people can do or be with their entitlements’, a concept which encompasses far more than the material concerns of food intake or income. Such ideas represent more than the human capital which allows people to do things, but also the intrinsically valued elements of ‘capability’ or ‘well-being’. Chambers (1997) argues that such a well-being approach to poverty and livelihood analysis may allow people themselves to define the criteria which are important. This may result in a range of sustainable livelihood outcome criteria, including diverse factors such as self-esteem, security, happiness, stress, vulnerability, power, exclusion, as well as more conventionally measured material concerns (Chambers 1989).

**iv) Livelihood adaptation, vulnerability and resilience** – The ability of a livelihood to be able to cope with and recover from stresses and shocks is central to the definition of sustainable livelihoods. Such resilience in the face of stresses and shocks is key to both livelihood adaptation and coping (Davies 1996). Those who are unable to cope (temporary adjustments in the face of change) or adapt (longer term shifts in livelihood strategies) are inevitably vulnerable and unlikely to achieve sustainable livelihoods. Assessing resilience and the ability to positively adapt or successfully cope requires an analysis of a range of factors, including an evaluation of historical experiences of responses to various shocks and stresses. Different types of shock or stress, in turn, may result in different responses, including avoidance, repartitioning, resistance or tolerance mechanisms (Payne and Lipton 1994: 15).

**V) Natural resource base sustainability** – Most rural livelihoods are reliant on the natural resource base at least to some extent. Following Conway (1985), Holling (1993) and others, natural resource base sustainability refers to the ability of a system to maintain productivity when subject to disturbing forces, whether a ‘stress’ (a small, regular, predictable disturbance with a cumulative effect) or a ‘shock’ (a large infrequent, unpredictable disturbance with immediate impact). This implies avoiding depleting stocks of natural resources to a level which results in an effectively permanent decline in the rate at which the natural resource base yields useful products or services for livelihoods. Measuring natural resource sustainability is notoriously difficult, as it is critical to link indicators of resource depletion or accumulation (e.g. soil fertility levels, vegetation cover etc.) to both the temporal dynamics of system resilience (i.e. the ability to recover from disturbance) and livelihood needs (i.e. an assessment of whether natural resource change results in ‘effectively permanent declines in useful products or services’).

Contradictions and trade-offs between different elements of the composite definition (above decomposed into five parts, but potentially divided up in different ways) must always be recognized. Different people will inevitably have different views as to the priority indicators, and, where conflicts are highlighted, choices then have to be made. By disaggregating the definition into a series of indicators, however, such choices become explicit, making negotiation between outcome possibilities possible as part of any policy development, planning or implementation process which has sustainable livelihood concerns at its center.

**Activities and income**

Income comprises both cash and in-kind contributions to the material welfare of the individual or household deriving from the set of livelihood activities in which household members are engaged. Income may be:

**Farm income**: refers to income generated from own-account farming, whether on owner-occupied land, or on land accessed through cash or share tenancy. It includes livestock as well as crop income, and comprises both consumption-in-kind of own farm output as well as the cash income obtained from output sold (net income). In all cases, reference is to income net of the costs of production.

**Off-farm income:** Off-farm income typically refers to wage or exchange labor on other farms (i.e. within agriculture). It includes labor’s payments in kind, such as the harvest share systems and other non-wage labor contracts that re­main prevalent in many parts of the developing world. It may also include, al­though classifications sometimes differ in this respect, income obtained from local environmental resources such as firewood, charcoal, house building materials,etc.

**Non-farm income:** Non-farm income refers to income from those non-agricultural activities which generate income to rural households (including income in-kind and remittances), either through waged work or in self-employment, rural non-farm activities like e.g. tourism, mining, timber processing, etc.).

**Chapter three: Livelihoods Analysis Approach**

* 1. **Framework analysis of Sustainable livelihoods**

The concept of ‘sustainable livelihoods’ is increasingly important in the development debate. A framework for analyzing sustainable livelihoods, defined here in relation to five key indicators.The framework shows how, in different contexts, sustainable livelihoods are achieved through access to arange of livelihood resources (natural, economic, human and social capitals) which are combined in thepursuit of different livelihood strategies (agricultural intensification or extensification, livelihooddiversification and migration). Central to the framework is the analysis of the range of formal and informal organizational and institutional factors that influence sustainable livelihood outcomes. It is important to assess who achieves a sustainable livelihood and who doesn’t? In other words: what are the relevant outcome indicators? What are the livelihood resources, institutional processes and livelihood strategies which are important in enabling or constraining the achievement of sustainable livelihoods for different groups of people? What are the practical, operational and policy implications of adopting a sustainable livelihoodapproach? The framework can be applied at a range of different scales – from individual, to household, to household cluster, to extended kin grouping, to village, region or even nation, with sustainable livelihood outcomes assessed at different levels. The specification of the scale of analysis is therefore critical, as is an analysis of the interactions between levels in terms of net livelihood effects, both positive and negative. The value of the framework is as a practical tool upon which the much of the SRL approach is based. It provides a useful starting point for thinking about how and in what combinations assets do translate in to SL by starting on analysis of strengths as opposed to an analysis of needs.

* 1. **Combing resource**

The ability to pursue different livelihood strategies is dependent on the basic material and social, tangible and intangible assets that people have in their possession. Drawing on an economic metaphor, such livelihood resources may be seen as the ‘capital’ base from which different productive streams are derived from which livelihoods are constructed. In order to create livelihoods, therefore, people must combine the ‘capital’ endowments that they have access to and control over. These may be made up of personal capabilities, tangible assets (e.g. stores and material resources) and intangible assets (claims and access) (cf. Chambers and Conway 1992: 10).

At any scale, livelihoods are composed in complex ways, with multiple and dynamic portfolios of different activities, often improvised as part of an on-going ‘performance’ (cf. Richards 1989).

* 1. **livelihood strategies**

**Refere chapter one, subtopic 1.3 on page 1-4 of this material.**

* 1. **Institution and organization**

Policies Institutions and Processes (PIPs) are the social and institutional context within which individuals and households develop and adapt livelihood strategies. PIPs can be Enabling or inhibiting or Creating or constraining livelihood options and outcomes. PIPs encompass a range of issues such asParticipation, power and authority, Governance, laws, public service delivery and social relations. PIPs also directly influence the vulnerability context and are influenced by it.

**Transforming Structures and Processes:**

Representthe institutions, organizations, policies and legislation that shape livelihoods. They are of central importance as they operate at all levels and effectively determine Access, terms of exchange between different types of capital, and Returns to any given livelihood strategy.

Transforming structures and processes occupy a central position in the framework and directly feedback to the vulnerability context: While influencing and determining ecological or economic trends through political structures, while mitigating or enforcing effects of shocks or keeping seasonality under control through working market structures; or They can restrict people's choice of livelihood strategies and may thus be a direct impact on livelihood outcomes.

**Structures** can be described as the hardware (private and public organizations) that Set and implement policy and legislation, deliver services, Purchase, trade and perform all manner of other functions that affect livelihoods.

**Why are structures important?**

Structures are important because they make processes function. Without legislative bodies there is no legislation. Without courts to enforce it, legislation is meaningless. Without traders, markets would be limited to direct trades between buyers and sellers. An absence of appropriate structures can be a major constraint to development.

**What can be done to build structures for the poor?**

One of the most common problems in development is that *Transforming Structures and Processes* do not work to the benefit of the poor. But structures on their own – without accompanying processes – have only ‘potential’ or ‘option’ value; the two must be considered together. It is not effective to invest in building impressive organizations if the processes that govern their activity prevent them from providing benefits to the poor. As long as due consideration is given to processes, the following types of activity at the level ofstructures can achieve positive outcomes.

• **Building structures that represent the poor**:

Membership organizations can help people to draw down services, increase local information flows and innovation, exert influence on higher-level structures and processes and perform numerous other functions. These can all be thought of as dimensions of empowerment.

• **Promoting reform within structures that make policy and provide services to the poor**:

Increasing the responsiveness of various organizations to the poor is an important objective. Sometimes this can be achieved through helping organizations to extend the scope of their activity. There may also be a need for structural change within organizations (e.g. decentralization, rationalization of departments, etc.).

• **Providing support to the establishment or expansion of scope of private sector organizations**: Competitive markets are valued for their economic efficiency and ‘built in’ responsiveness to clients. But they will not function in the absence of traders (individuals and organizations).

• **Supporting joint forums for decision-making and action**:

There are many dangers associated with the creation of entirely new organizations. However, it can be important to support the establishment and operation of new forums that bring together existing interests and organizations.

**What type of information is required to analyze structures?**

It is relatively straightforward – though time-consuming – to analyze through observation and survey which structures exist and what they do. What is more difficult to understand is how different structures relate to each other (the processes that govern their interactions) and how, in conjunction with various processes, they impact upon the poor, and *vice versa*. Depending upon the importance attributed to various structures it may be important to understand their: legal/constitutional basis, authority and jurisdiction (including degree of decentralization); membership/ownership structure; leadership/management structure; objectives and activities; financial basis (sustainability); and geographic location/extent.

Complementary to structures, **processes** constitute the “software” determining the way in which structures and individuals operate and interact. There are many types of overlapping and conflicting processes operating at a variety of levels – and like hardware, they are crucial and complex. Important processes for livelihoods are Policies, legislation and institutions, culture and power relations. They may serve as:Incentives for people to make choices, they may be responsible for access to assets or they may enable stakeholders to transform and substitute one type of asset through another.

**Policies** inform the development of new **legislation** and provide a framework for the actions of public sector implementing agencies and their sub-contractors.

**Institutions** are seen as ‘regularized practices (or patterns of behavior) structured by rules and norms of society which have persistent and widespread use’.

**Institutions** may be formal and informal, often fluid and ambiguous, and usually subject to multiple interpretations by different actors.

It can be the ‘rules of the game’, ‘standard operating practices’, ‘routines, conventions and customs’ or ‘the way things are done’. ‘Rules of the game’ operate both within structures and in interactions between structures. Institutions are embedded in and develop out of the **culture** of communities or larger societies. This culture will often include widely recognized hierarchies of **power relations** that confer a particular status on people and constrain their behavior and opportunities according to factors that are essentially out of their control (age, gender, etc.).

**Why are processes important?**

Processes are important to every aspect of livelihoods. They provide the incentives – from markets through cultural constraints to coercion – that stimulate people to make particular choices (about which livelihood strategy to pursue, where to pursue it, how much to invest in different types of livelihood assets, how to manage a resource, etc.). They grant – or deny – access to assets.

Understanding institutional processes allows the identification of restrictions/barriers and opportunities (or ‘gateways’) to sustainable livelihoods.

**What can be done to build processes for the poor?**

The fact that processes can ‘transform’ livelihoods makes them a key focus for donor activity. The aim is to build or reform policies, laws and institutions (culture is not an area for direct donor activity) so that they provide better opportunities for the poor. This may entail, amongst other things: providing information to support a more pro-poor policy-making process; deepening and strengthening the contact between the poor and policy makers (reinforcing the arrow that runs from the asset pentagon towards *Transforming Structures and Processes*); supporting participatory processes of policy formulation; increasing the accountability and transparency of public decision-making (a key objective of decentralization, also achieved by separating delivery from the regulation and financing of services); assisting with the planning, drafting and implementation of legislation of importance to the poor(e.g. land tenure legislation); promoting the adoption of redistributive policies and the establishment of social safety nets that directly benefit the poor; promoting the expansion of fair and competitive markets;providing support to help local organizations adopt pro-poor ways of operating; and improving the institutional context of private decision-making (reducing risk, streamlining regulation, ensuring fairness, etc.).

**What type of information is required to analyze processes?**

In order to understand the impact of existing processes on livelihoods, it is necessary to be able to trace through the effects of given processes on particular groups. The understanding gained through this analysis will then assist with the development of more effective processes, if this is a priority. Analysis of policies and legislation is complicated by the need to know: what is written in statute books; what the intended effects of policies and associated laws are; andwhat happens in practice.Some policies and legislation – including some of governments’ more impressive pronouncements - are never acted upon or are not enforced. In other cases they may have perverse outcomes (e.g. legislation preventing tree-felling may reduce the amount of trees planted, changes in factor prices under adjustment policies may not have the expected impact on production). Unless this is known, it will not be easy to think about the effects of processes on livelihoods and whether change is a priority. Further work is required to develop more effective methodologies for analyzing policies, their effects on livelihoods and how they themselves are influenced by what happens at local level.

**Analyzing Transforming Structures and Processes**

The following general ideas – drawn from work in progress– may be useful when thinking about both governance and the individual structures and processes that affect livelihoods.

• **Roles:** Who (which organizations) *actually* does what? (I.e. reality as opposed to theory)

• **Responsibilities:** What responsibilities do different organizations have? Is there adequate responsibility at lower levels and outside formal structures? How are responsibilities established and enforced? Are they reflected in policy/legislation?

• **Rights:** How aware are different groups/organizations of their basic human and political rights?

• **Relations:** What is the current state of relations between different groups? (B/n structures)

**Social relations**: the way in which gender, ethnicity, culture, history, religion and kinship affect the livelihoods of different groups with a community

• **Social and political organization:** decision-making processes, civic bodies, social rules and norms, democracy, leadership, power and authority, rent-seeking behavior

• **Governance:** the form and quality of government systems including structure, power, efficiency and effectiveness, rights and representation

• **Service delivery:** the effectiveness and responsiveness of state and private sector agencies engaged in delivery of services such as education, health, water and sanitation

**• Resource access institutions:** the social norms, customs and behaviors (or ‘rules of the game’) that define people’s access to resources

• **Policy and policy processes**: the processes by which policy and legislation is determined and implemented and their effects on people’s livelihoods

**Relationships within the framework**

**The influence of *Transforming Structures and Processes* extends throughout the framework:**

**• There is direct feedback to the *Vulnerability Context*:** Processes (policies), established and implemented through structures, affect trends both directly (e.g. fiscal policy/economic trends) and indirectly (e.g. health policy/population trends). They can also help cushion the impact of external shocks (e.g. policy on drought relief and the density of relief providing agencies). Other types of processes are also important.For example, well-functioning markets can help reduce the effects of seasonality by facilitating inter-area trade.

**• Institutions can absolutely restrict people’s choice of *Livelihood Strategies:*** More common are policies and regulations that affect the attractiveness of particular livelihood choices through their impact upon expected returns.

**• There may also be a direct impact on Livelihood Outcomes:** Responsive political structures that implement pro-poor policies, including extending social services into the areas in which the poor live, can significantly increase people’s sense of well-being. They can promote awareness of rights and a sense of self-control. They can also help reduce vulnerability through the provision of social safety nets.

* 1. **Operational implication of this approach**

Adopting a sustainable livelihoods approach has a number of significant operational implications, for example, methodologies for field investigation, intervention options and planning approaches. In a number of significant respects such approaches differ from the conventional sectoral approach to development planning and intervention. Livelihood analysis is not an end in itself rather it is valuable to inform action in support of poverty eradication, for example, it helps to know where to intervene? The framework groups particular components of complex livelihoods together e.g. assets. Vulnerability, PIPS and from this list areas of intervention can be identified.

It Encourages thinking out of the box; it frees development practitioners from conventional approaches that are often restricted to identifying problems and finding solutions; Invites development practitioners to look at contexts and relationships so that development initiatives can become more process-oriented; Represents an important shift away from the focus on project inputs and outputs and the assumed mechanical links between them;  Compels development practitioners to look for multiple entry points and to move beyond a homogenous ‘community’ view and a narrow sectoral perspective; Stresses the importance of understanding institutions by mapping the institutional framework and linking the micro to the macro and the formal to the informal; Calls for a new style of policy appraisal that moves from universal prescriptions to context-specific approaches that allow alternative, local and global perspectives to reveal themselves in the policy framework

* 1. **Agriculture and Rural livelihoods**

The focus on agriculture is for poverty reduction, food security, environment, climate change. Rural livelihoods are increasingly diversified. But, agriculture remains central to the livelihoods of most poor rural households. Thus, growth in agriculture has large impact on livelihoods improvement because of large participation of poor people in the sector. Agriculture can play a major role in reducing both poverty and food insecurity. But need for political commitment, policy packages covering a broad set of issues, and public investment like: Supporting R&D and advisory services for improved productivity; Securing land and water entitlements of poor farmers; Improving rural infrastructure and services (roads, irrigation, electricity) and Providing adequate incentives to farmers (e.g. floor prices, secure markets). Policymakers need to focus on how to help farmers seize opportunities and reduce their vulnerability to the challenges.

Therefore, for the improvement of Rural Livelihoods: an appropriate institutional environment to incentivize private investment in agriculture should be developed; For small farmers as investors, both improve market incentives and reduce risks and transaction costs (through good governance, support to organizations, adequate business and contract laws, improved infrastructure –energy, transport, etc.); For larger investors, develop appropriate balance of incentives and safeguards for smallholders and poor rural communities (as above, plus develop win‐win business models, labor laws, secure natural resource entitlements, PPPs); Strengthen agricultural services and markets/value chain approach; Invest in needed infrastructure and services upstream, to support/stabilize supply (reform of R&D, input, financial services); Strengthen market infrastructure and institutions downstream, so small farmers can capture greater value and benefits at reduced transaction costs; and Promote public‐private partnerships and provide incentives for the private sector to provide the needed services to rural areas and people.

* 1. **Livelihood system approach**

A crucial element of the SL approach is the notion of mutuality and reciprocity. There is a feedback loop not only between people themselves, but also between people and the political, social, economic situations in which they find themselves. There is interconnectedness between different elements of SL (i.e., poverty and participation, appropriate technology and division of labor), where change in one element has impacts on the other elements. These processes of change reflect feed- back loops (positive and negative), sudden changes (punctuated equilibrium), and uncertainties in the whole process .Sustainable livelihoods is a systemic and adaptive approach that links issues of poverty reduction, sustainability and empowerment processes (e.g., participation, gender empowerment, and good governance).A livelihood system is a dynamic realm that integrates both the opportunities and assets available to a group of people for achieving their goals and aspirations as well as interactions with and exposure to a range of beneficial or harmful ecological, social, economic and political perturbations that may help or hinder groups' capacities to make a living. One of the ways to understand SL systems is to analyze the coping and adaptive strategies pursued by individuals and communities as a response to external shocks and stresses such as drought, civil strife and policy failures

**Chapter Four: Rural Social welfare and Development**

**4.1 What is Social welfare and development? Meaning/Definition of Welfare/ Well-being**

**Social Welfare** is an ambiguous term, which is understood in terms of 'utility'; people's well-being or interests consist of the things they choose to have. Welfare also refers to the range of services which are provided to protect people in a number of conditions, including childhood, sickness and old age (social protection) financial assistance to poor people (e.g. Temporary Aid to Needy Families). It is a state of affairs where the basic needs of the populace are met. For example, a society where: Income levels are high enough to cover basic wants, where there is no poverty, where unemployment is insignificant, Where there is easy access to social, medical, and educational services, and where everyone is treated with dignity and consideration.

**Social Wellbeing:** a contented state of being happy and healthy and prosperous. It is good or satisfactory condition of existence or it is a state characterized by health, happiness, and prosperity. Wellbeing is connected to pleasure, aesthetics, happiness, satisfaction.

Many attempts have been made to quantify social well-being. Social well-being is when somebody has a good social life, which means getting around the right people and healthy relationships with family, friends, and other. Social wellbeing involves a person's relationships with others and how that person communicates, interacts and socializes with other people. It can also relate to how people make friends and whether they have a sense of belonging. For example, going to the movies with friends is being social.

**Social development:** is concerned with the development of the society in its totality. It is a development that makes man/woman the focus of the development effort and seeks to develop his/her potential in a total sense. It can be also defined as a form of development, which aims ultimately at the maximum improvement of the material, cultural, social and political aspect of man/woman. In some countries, the term social development is used to designate social welfare and community development.

Social development is a process which results in the transformation of social structures in a manner which improves the capacity of the society to fulfill its aspirations. Society develops by consciousness and social consciousness develops by organization. It encompasses a commitment to individual well-being and volunteerism, and the opportunity for citizens to determine their own needs and to influence decisions which affect them. Social development incorporates public concerns in developing social policy and economic initiatives. Social development in its broadest social terms defined as an upward movement of society from lesser to greater level of energy, efficiency, quality, productivity creativity choice, enjoyment, accomplishment and etc.

**4.2 The goals and principles of social welfare**

**Welfare or welfare work** consists of actions or procedures especially on the part of governments and institutions striving to promote the basic well-being of individuals in need: health, happiness and prosperity; well-doing or well-being in any respect; Aid, provided by a government, etc. to people in need, especially financial aid refers to the economic wellbeing of an individual, group, or economy.

**Welfare facilities** is a wide term embracing both: sanitary and washing accommodation at workplaces, provision of drinking water, clothing, Accommodation (including facilities for changing clothes) and facilities for rest and eating meals.

**The Concept of Welfare State**

The state is not the only provider of welfare in any country. It acts in conjunction with a number of non-statutory organizations. The state is actively involved in regulation, finance or subsidy, and direct provision. A welfare state is a concept of government where the state plays the primary role in the protection and promotion of the economic and social well-being of its citizens. It provides physical, material and social needs to create economic equality or to assure equitable standards of living for all.

There is some confusion between a welfare state and a welfare society. For example, in many countries, some degree of welfare is not actually provided by the state, but directly to welfare recipients from a combination of independent volunteers, corporations (both non-profit charitable corporations as well as for-profit corporations), and government services. This phenomenon has been termed a welfare society.

**Major Sectors of Welfare Provision:**

**The five main sectors are:**1) Public Sector (provision by the state), 2) Private Sector (provision for profit by commercial organizations or individuals); 3) Voluntary Sector (provision on a non-profit basis); 4) Mutual Sector (provision by solidarity) and 5) Informal Sector (provision by friends, neighbors and families).

**4.3. Measuring social development**

Social development refers to the institutions of societies through which development is enhanced; the ‘soft’ dimensions of development, often invisible and difficult to measure. Social development implies qualitative and quantitative changes in social conditions such as improvement in education, health, family planning, housing, social welfare, social security and employment. On the measurement of certain aspects of social development, no financial variable was included in the construction of composite index, termed as the Social Development Index, which considers (i) a large number of indicators representing various concern areas and (ii) a set of objective methods for combining the development indicators as a composite index. The following are Indices/ composite measures that are consisting of various individual/ measures of Social Development and shows that the social development is something that we can define, measure, and ultimately advance. **Civic Activism:** The strength of civil society – levels of civic activism and access to information

**Interpersonal Safety and Trust:** Norms of nonviolence between persons in society

**Inter-group Cohesion:** Relations of trust and cohesion between defined ethnic, religious, or linguistic identity groups**Clubs and Associations:** Relations of trust and cohesion within local communities**Gender Equity:** Non-discrimination against women

**Inclusion of Minorities:** Non-exclusion of social minorities & indigenous peoples

**4.4. Social development planning in rural areas**

“Social service” (or social welfare) refers to the variety of programs made available by public or private agencies to individuals and families who need special assistance. The term Social Planning may be used to cover any or all of the following activities. Planning social services (e.g., health, education, housing, social welfare); Assessing the way in which the social characteristics of the people concerned are likely to affect the implementation of a particular policy, program or project. Assessing the likely future and / or actual impact of a policy, program or project on social conditions; Planning to improve the position of disadvantaged groups of people (e.g. the poor, women, children, the disabled, a disadvantaged region of a country); and Participatory planning-that is planning in a way which involves the people who will be affected by whatever is being planned.

The amount of attention given to social planning in any particular planning situation varies considerably, depending on a number of factors, including the relative importance of social objectives in whatever is being planned; the extent to which those involved in the planning are aware of the possible social implication and the resources available ( finance, skilled manpower and time).

Obtaining basic information on the social characteristics of an area, rural social problems, social needs of rural people, etc. is an important component of policy formulation and planning for rural social development. Data is a basic requirement for any form of planning, since planning and policy making involves making calculated decisions and such decisions must be based on adequate and appropriate information, or data. Data is needed at all stages of the planning process, including the initial identification of problem or objective, the identification and appraisal of alternative policies, programs, projects , monitoring the implementation process, and finally the evaluation of the impact of plan. Social planning is no exception in this respect.

In the process of social development planning attention should be given to the methods of obtaining information about the social characteristics of rural societies, which is needed for various planning purposes; Methods of planning to achieve specific social objectives, such as the provision of social services or improvement in some aspects of the quality of life; methods of planning to meet the needs of disadvantaged groups within an area (such as poor, the landless, women, children or the disabled), which is very specific form of social objective which warrants attention separate from above; and methods of planning in a participatory way, which has implication for the other four categories but again but warrants special attention.

**General steps in services planning and/or social planning**

* **Evaluation of the environment.** Decisions have to be taken in the light of existing situations. The identification of aims and objectives. Criteria have to be established by which decisions can subsequently be evaluated.
* **Consideration of the alternative method which are available.**
* **Examination of the consequences**. Possible consequences are judged against the aims and objectives in order to decide their likely effect.
* **Selection of methods** .the choice of methods is guided by consideration of efficiency and practical constraints.
* **Implementation**. There has to be a plan for how and when things will be done, and who will do them.
* **Re-evaluation**. The consequences of policy are monitored, and fed back into a reassessment of the environment-at which point the process begins again

To sum up a minimally adequate plan need a statement of aims, selection of methods, and an action plan covering implementation and criteria for evaluation.

**Major Areas/ Dimensions of Social Development planning:**

**A.Social service programmes:** includes, education, health care, nutrition, environment, housing, public utilities, aid etc.

**B.Social Welfare Programmes:** includes personal social services, child welfare (young children, children in need of care and protection etc.,), family services and counseling, community services for aged, etc.

**C.Social security programmes**: includes social insurance, social assistance, family income supplement, provident funds, public services etc.

**D.Special programmes of social protection and rehabilitation**: includes measures to strengthen family life rehabilitation of handicapped/ disabled etc.

**E. Youth programmes:** includes protective and residential arrangement for youth, adolescent counseling, vocational training, sports, recreation, etc.

**F. Labor –related programmes**: includes measures relating to employment and unemployment etc.

**G**. **Population Related Issues**: Population policies, family planning policies etc.

**H**. **Planning Activities**: includes new town development, development of rural towns.

**I.Social programmes for rural areas**: include agrarian reforms, food and nutrition, improvement of housing and community facilities etc.

**4.5. The social dimension of sustainable development**

The concept of sustainable development was popularized by the Brundtland Commission in 1987, there has been a tendency to neglect its social dimensions. Debates about sustainability no longer consider sustainability solely as an environmental concern, but also incorporate economic and social dimensions. A central aspect of the social dimensions of sustainable development relates to social conditions and factors that shape processes of change. To ensure sustainable outcomes requires the eradication of poverty in its multiple dimensions, equality of both opportunity and outcome, equity in the distribution of benefits and costs, social inclusion and non-discrimination that would allow full enjoyment of rights. Equitable access, social justice, empowerment and the sustainability of the community itself are among the social dimensions of sustainability.

The key emerging issues about social drivers of sustainable development relate to strategies that (i) place employment rather than growth at the center of macroeconomic policy and “development”; (ii) move beyond a narrow focus on safety nets towards social policies concerned with universal social protection and redistribution; (iii) address one of the major gaps in development policy: paid and unpaid care work; (iv) focus not only on equality of opportunity but also equality of outcome; (v) recognize the need for green economy transitions that are sensitive to uneven social consequences and that are both green and fair; (vi) promote alternative or complementary forms of “social and solidarity” economy and “food sovereignty”; (vii) support notions of participation and empowerment that go beyond dialogue and entrepreneurship to embrace deeper changes in power relations; and (viii) promote forms of social regulation associated with corporate accountability.

**Chapter Five: Poverty, Wellbeing and Social Equity**

**5.1. The concept of Poverty: definitions and measurement approaches**

**(For more information, please, refer your Rural Development Course)**

There is no generally agreed definition of poverty because the definition of poverty is a moral question - it refers to hardship which is unacceptable. 'Poverty' may refer to: material conditions - needing goods and services, multiple deprivation, or a low standard of living; economic position - low income, limited resources, inequality or low social class; and Social position of the poor, through lack of entitlement, dependency or social exclusion. It is the absence of inadequacy of those diets, amenities, standards, services and activities which are common or customary in society. Capability poverty occurs when people are unable to reach a certain level of essential human achievement or functioning (i.e., malnourishment, illiteracy, poor health). Examples of basic capabilities are leading a life free of avoidable morbidity, being informed and educated, well-nourished and having access to satisfactory levels of resource and asset bases. **Conventionally, poverty is represented in two main models.**

**Absolute poverty**: a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services.Absolute poverty denotes the inability of households (and individuals) to command sufficient resources to satisfy basic needs or a standard of living.

**Relative poverty**: is based on a comparison of poor people with others in society.

**5.2. Wellbeing and its measurement**

Well-being can be understood as how people feel and how they function, both on a personal and a social level, and how they evaluate their lives as a whole. To break this down, how people feel refers to emotions such as happiness or anxiety. How people function refers to things such as their sense of competence or their sense of being connected to those around them. How people evaluate their life as a whole is captured in their satisfaction with their lives, or how they rate their lives in comparison with the best possible life.

You can think of someone as having high well-being if they function well, have positive feelings day-to-day and overall and think their lives are going well; we call this ‘flourishing’. Similarly, you can think of someone as having low well-being if they do not function well and have negative feelings day to-day and overall.

It is worth pointing out that well-being is not exactly the same as happiness. Happiness often refers to how people are feeling moment-to-moment and does not always tell us about how they evaluate their lives as a whole (although it can do), or about how they function in the world. Well-being is a much broader concept than moment-to-moment happiness: it includes happiness but also other things such as how satisfied people are with their lives as a whole, and things such as autonomy (having a sense of control over your life), purpose (having a sense of purpose in life).

Whilst well-being covers more than happy feelings, recent research suggests that positive feelings like happiness can actually lead to better well-being overall. This is because positive feelings broaden people’s potential responses to challenging situations and build their personal resources and capabilities.

The ‘potential drivers of well-being’ refers on the one hand to external things such as income, housing, education and social networks, and to certain ‘internal’ things such as health, optimism and self-esteem, all of which influence how people feel and function.

Measuring well-being can be done in a number of ways – there is no ‘one size fits all’ approach. In general, however, well-being measurement tends to be based on:

• Individuals. Individuals, rather than groups, are the ‘unit of measurement’, even if we are ultimately interested in the well-being of a particular group of people.

• Subjective indicators. Subjective, rather than objective, indicators provide the data. ‘Subjective indicators’ refers to questions which ask about feelings, experiences and judgments about life.

**5.3. Rural Poverty in developing countries: the case of Ethiopia**

Paramount among all the social issues in the rural area is poverty. Rural population is, being agricultural with lacking educational facilities, owned very small acreage of land, they are poor.

The problems of poverty have been explained in many ways**. Pathological explanations are those which attribute poverty to the characteristics or behavior of poor people. They include:**

**Individualistic explanations:** Poor people are assumed to be inadequate, to have made bad choices, or to have chosen their lifestyle.

**Familial**: Poverty is believed to run in families, with the transmission of inadequate behavior from one generation to the next.

**Sub-cultural views:** The 'culture of poverty' suggests that poor people learn to be different, and 'adapt' to poverty.

**Structural explanations explain poverty in terms of the society where it occurs. They include:**

**Class-based explanations:** Poverty is the result of some people's marginality in relation to the process of economic production, which limits their life-chances.

**'Agency' views:** Poverty is attributed to the failures of public services.

**Inequality:** Poverty is attributed to inequalities in the structure of society, which lead to denial of opportunity and perpetuation of disadvantage. Examples are the inequalities of income, wealth, race, and gender

**Social problems**

**Health and Sanitation Conditions:** health and sanitary conditions are poor, disease are prevalent leading to high mortality rates which reduces the life expectancy.

**Migration:** migration from rural to urban areas has very badly hit the rural areas demanding for youths and young adults to continue its agricultural development

The majorities of the world’s extremely poor people live in rural areas and have livelihoods which are bound closely to smallholder agriculture as farmers, laborers, transporters, marketers and processors of produce and as suppliers of non-agricultural services to households whose income is principally agriculture-derived.

Ethiopia started the fight against poverty from very high levels with close to 49.5% of the total population under the poverty line in 1994/95. Despite the impressive growth record, improvements and significant reductions of poverty, in recent years, low levels of income and savings and productivity in the agricultural sector, limited implementation capacity, unemployment and a narrow modern industrial sector base are the major challenges facing Ethiopia; Rural Areas in Ethiopia are extremely vulnerable to external shocks that may include climate change, suffering with Malnutrition and hunger, Lack of income and assets to attain basic necessities, lack of access to education and other basic services. Income Poverty is slightly higher in the rural areas (39.3 percent) than in the urban areas (35.1 percent). The poverty gap index was 8.3% in 2004/05and was slightly higher (8.5%) in rural than in urban areas (7.7%).

Many rural villages are immersed in poverty and basic infrastructure where they exist at all, are too inadequate for meaningful development. The rural areas lack virtually all the good things of life like roads, medical and health facilities, portable water, electricity etc.

**5.4. Social Equity and Poverty Reduction**

Growth and distribution are found to be important determinants of poverty eradication. Justices begins with a presumption of equality; people should not be treated differently without a reason. The need to reduce inequality and poverty emanates from higher inequality means slower poverty reduction and higher insecurity and vulnerability of some social groups. On the other hand lower inequality directly contributes to socio-economic stability, which in turn positive impacts on reform sustainability ‘‘an inequitable distribution of the benefits and costs of development can eventually compromise social stability’’. Supporting equality (i.e. maintaining inequality within certain boundaries while simultaneously trying to expand the economic ‘pie’ for all) can be a goal in itself, not just increasing absolute incomes. Such reasoning-captured in the slogan ‘an equitable society’’- may be important.

Eliminating unlawful discrimination and promoting equality of opportunity and good relations across and between the defined equalities groups in all of their relevant functions.

Accordingly no eligible job applicant, funding applicant, employee or external stakeholder including members of the public should receive less favorable treatment on the grounds of: gender, marital status, sexual orientation, gender re-assignment, race, color, nationality, ethnicity or national origins, religion or similar philosophical belief, spent criminal conviction, age or disability.

Equally, all proposals must be assessed on equal terms, regardless of the sex, age and/or ethnicity

**Chapter Six: Rural Education and Health**

**6.1. Social Development and Rural Education**

Education is principally identified with schooling, though in theory it extends far beyond this, being concerned with intellectual and social development. The main emphasis within this is on children, though there is clearly scope for education for all and 'lifelong learning'. Education has been particularly significant as an instrument of social policy, in the sense not only of policies for welfare but also as policies intended to deal with the structure of society.

**6.2. Role of Rural Education in Society**

Education is the most compelling means to initiate social alterations and improve community development in rural area. It is important to build local capacity for renewal and growth by using developing skills and competencies required for successful citizen involvement. Empowering the community and school to address local development issues is possible through education. The aims of education include:

**Liberal education**: the development of each individual intellectually and socially to that person's fullest potential

**Socialization**: education is a method of transmission of social norms and values. This is also sometimes seen as a form of social control.

Education as 'handmaiden': the education system serves the industrial process and the economy by producing a trained workforce, and by providing child minding services.

Social change (or 'social engineering'): The education system has been seen as a means of bringing about social change.

Education is a vehicle for other types of social policy. Education provides a convenient basis for policy for children because of its universal coverage, the acceptance of responsibility for children's welfare, and because it has been easy to justify welfare measures in educational terms.

**6.3. Challenges of Rural Education**

Infrastructural, ICT, books, teachers and the like are among the common challenges facing rural education. In rural areas of low-income countries, the problem of access to education is acute. Education and training are two of the most powerful weapons in the fight against rural poverty and for rural development. Unfortunately, these are also among the most neglected aspects of rural development interventions by national governments and by donors. Investment for rural education is low rather more attentive is to urban issues than to education in rural areas. Due to unfavorable environment like lack of infrastructure and service experienced educators left out the rural area. As a result rural education is highly affected.

**6.4. Rural Health Status**

There are many definitions of 'health'. They include: Cultural definitions: health is a standard of physical and mental wellbeing appropriate to a particular society. Normative definitions: health as a fixed level, or an ideal physical and mental state. Functional definitions: health is a state of being necessary to perform certain physical and mental activities.

WHO definition of Health: Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. “Health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity.”

Health depends on a number of factors, including biological factors, environmental factors, nutrition, and the standard of living. In other words, health can be seen as a function of welfare. Few of the issues which cause ill health are dealt with directly by 'health services'; they are, rather, issues in the 'welfare state' as a whole.

**6.5. Challenges of Rural Health**

**Inequalities in health**

There are clear differences in the incidence of ill health by social class. Figures from the UK show that people in lower social classes, including children, are more likely to suffer from infective and parasitic diseases, pneumonia, poisonings or violence. Adults in lower social classes are more likely, in addition, to suffer from cancer, heart disease and respiratory disease.

There are several possible explanations for these inequalities.

* **Artifact explanations.** Both 'health' and 'social class' are artificial categories constructed to reflect social organization.
* **Natural and social selection.** This would depend on the view that people who are fittest are most likely to succeed in society, and classes reflect this degree of selection.
* Poverty leads to ill health, through nutrition, housing and environment.
* **Cultural and behavioral explanations.** There are differences in the diet and fitness of different social classes, and in certain habits like smoking.

There are often major inequalities in access to health care according to social class. The problem becomes what Tudor Hart once called an 'inverse care law'; that those people in the worst health receive the least services.

**6.6. Tackling Rural Health Problems**

Health care can be divided into a number of different branches. Conventionally these include

* *Hospital care*: Hospitals can be distinguished between acute and long-stay care. Acute care covers the full range of medical specialties: long stay care has principally been used for psychiatric care and continuing nursing care. The current trend is for long stay to be minimized and for acute hospitals to offer a full range of care.
* *Primary care*: Primary care refers to basic medical treatment and non-hospital care, including general or family practitioners, professions ancillary to medicine (including dentistry, optics and pharmacy) and domiciliary health care (home nursing, occupational therapy, etc.). In some countries, the preferred distinction falls between hospital and "ambulatory" care. Ambulatory care includes primary care and most day care in hospital.
* *Public health*: This field includes not only preventive medicine (e.g. screening, inoculation or health education) but also several areas not necessarily linked with conventional health services, including housing, water supplies, and sewerage and food hygiene.

Public health is probably the most important issue for the health of a population; primary care is the main focus of medical care in practice. Medicine in hospitals is probably the least important in terms of its impact on health or illness, but it costs the most, has the highest status and is the focus of most political attention.

**6.7. Rural Health in Ethiopia: Current Situation, Problems and Challenges**

**Current Situation**

A. **Inequalities in Health:** there are clear differences in the incidence of ill health by social class. It is observed that people in lower social classes, including children, are more likely to suffer from infective and parasitic disease, pneumonia, poisoning or violence. Adults in lower social classes are more likely, in addition, to suffer from cancer, heart disease and respiratory disease. But in principle, typical issues in social protection are accessibility, coverage and the responsiveness of services, especially in emergency. These issues are different, and potentially more important for services users.

B**. Health Service Coverage and access in rural areas:**

Health Extension Package (HEP) is a new initiative included in the HSDPII. It is an innovative community-based health care delivery system aimed at creating healthy environment as well as healthful living. The main objective of HEP is to improve access and equity through community/kebele based health services with strong focus on sustained preventive health actions and increased health awareness.

The health extension service will be provided as a package focusing on preventive health measures targeting households particularly women/mothers at the kebele level.

The overall objective of the HSDPII is to increase access for health services. The program (HSDP II) gives priority to the prevention of diseases. Preventive health service, health service coverage (expansion and maintenance), and quality of healthcare will be given priority during this program period.

* Public health services cover only a small proportion of the rural of the rural population;
* Urban health care has been emphasized and the system tends to neglect the rural areas ;
* The ratio of doctors to patient, nurses to patient, other auxiliary workers and hospital beds to patient, is one of the lowest in the world; this ratio is worst in rural areas.
* Another important dimension of health services distribution in both urban and rural areas is the variation in the consumption among different economic and social groups. The poor and illiterate who form the majority of the population living in rural areas have not benefited from the health provisions.

**Problems of the health sector in Ethiopia**

The major health problems in Ethiopia are communicable disease and disorders arising from nutrition deficiency. The prevalence of intestinal parasites and infections reflects poor sanitary facilities and a lack of education. For a while, health services in Ethiopia were focused on three major urban areas. Lately, as a result of a deliberate policy to give priority to rural health, the focus has been on the prevention and control of mortality and the government has promoted primary health care.

* Local capability in both the investigation and the treatment of disease are vital to overall social development. Little research has been done using modern to improve and develop traditional medicine. As a result of a lack of conscious effort to make use of in health services, even the few rural development activities undertaken are uncoordinated.
* Health problems in Ethiopia are closely related to the problems of poverty, malnutrition and unsanitary living conditions, and limited resources. The core health problems are fiscally transmitted disease; air-borne disease, and malnutrition.

**Chapter Seven: Rural Livelihoods in Ethiopia**

* 1. **Poverty and Vulnerability**

Small-scale farmers and pastoralists in Ethiopia are likely to bear the brunt of the negative impacts of climate change in the region, which will include increased poverty, water scarcity, and food insecurity, according to a new Oxfam (2010) International report.

Ethiopia is one of the most susceptible counties to vulnerability. Being rain fed agriculture deepened economy, food insecurity, low water resources utilization; low health service coverage, high population growth, low economic development, poor infrastructure and institutions are common problems in the country.

Vulnerability is a situation where an individual feel insecure that something harmful happens in the future; something likely to be harmed or wound; the utility loss caused by poverty and uncertainty of future consumption. ‘Vulnerability to poverty’ is the probability that a household will be poor next period. It is the likelihood of adverse events occurring, and the impact of an event on wellbeing. Measuring vulnerability is conceptually and empirically much more complex than measuring poverty because it is about what might happen, an expectation on the future. Vulnerable households are those with probability of consumption falling below the poverty line. Households in Ethiopia, as many households in sub-Saharan Africa, face significant uncertainty with regards to their future consumption. In particular, vulnerability to weather risk has historically been very high among agricultural subsistence farmers, which describes the majority of Ethiopian rural households. Many Ethiopians are unable to protect their consumption against large covariate shocks, in particular drought and food prices. Illness or death of a household member, drought, livestock loss, or death, crop damage, flooding, price shock, job loss or food shortage are among the common problems in the country. The moisture reliable lowlands are the most vulnerable places in Ethiopian followed by the Enset-growing lowlands and the drought-prone highlands. Vulnerability is high in these lowlands not because residents are more subject to climate shocks that will drive them into poverty, but because residents are already poor. Lower levels of education and asset ownership cause to higher vulnerability in these areas.

* 1. **Livelihood strategies and Food insecurity**

**Diversification as a livelihood strategy**

Diversification at household level is viewed as an outcome of dynamic livelihood adaptation to various constraints and opportunities faced by smallholders.Diversification is therefore associated with both livelihood survival and distress under deteriorating conditions, as well as with livelihood security under improving economic conditions. It is aimed at securing better living standards by reducing risk, vulnerability and poverty, increasing income, enhancing security and increasing wealth.

The term ‘diversification’ refers to processes taking place at different levels of the economy, which are usually, but not always directly linked. Firstly, ‘diversification of the rural economy’ refers to a sectoral shift of rural activities away from farm to non-farm activities, associated with the expansion of the rural non-farm economy. Secondly, ‘individual or household diversification’ refers to income strategies of rural individuals or households in which they increase their number of activities, regardless of the sector or location.

Diversification can either refer to an increasing multiplicity of activities (regardless of the sector), or it can refer to a shift away from traditional rural sectors such as agriculture to non-traditional activities in either rural or urban space – i.e. sectoral change. Lack of entitlements to fundamental livelihood assets urges poor rural farmers into livelihood diversification to make a living. Poor households attempt to smooth their consumption and income through diversification, among which petty trading, charcoal making and fuel wood gathering for sale, brewing and craftsmanship are the significant ones.The main driving forces of diversification are: to increase income when the resources needed for the main activities are too limited to provide a sufficient means of livelihood, to reduce income risks in the face of missing insurance market, to exploit strategic complementarities and positive interactions between different activities and to earn cash income and finance investment in the face of credit failures.

Given the prevalence of risk in the rural smallholder context, diversification may often be a strategy for survival or coping with risk, especially where agriculture fails to offer sufficient means of livelihood. In situations of high-risk agriculture and poverty, poorer smallholders without the necessary assets may be pushed to seek alternative incomes by engaging in low-return and sometimes risky nonfarm activities. However, it is mainly among richer households or in regions with favorable agricultural conditions that livelihood diversification driven by motives to raise incomes or accumulate wealth prevails.

**Push factors** are negative factors that may force farm households to seek additional livelihood activities within or outside the farm. Push factors tend to dominate in high-risk and low-potential agricultural environments, subject to drought, flooding and environmental degradation.

**Pull factors** are positive and these may attract farm households to pursue additional livelihood activities to improve their living standards.

* **Livelihood Diversification**

In order to use livelihood diversification to secure better living standards, rural households have to be able to generate cash, build assets and diversify across farm and nonfarm activities. The concept of livelihood diversification has rapidly gained ground as an approach to rural poverty reduction in poor countries. The nation of diversity and diversification has become part and parcel of livelihood theory.

Livelihood diversification refers to attempts by individuals and households to raise income and reduce environmental risk which differs sharply by the degree of freedom of choice (to diversify or not), and reversibility of the outcome. For rural households, it includes both on-farm and off-farm activities which are undertaken to generate income additional to that from the main household agricultural activities. This could be via the production of agricultural and non-agricultural goods and services, the sale of waged labor, or self-employment in small firms and other strategies undertaken to spread risk.

Rural livelihood diversification is defined as the process by which rural farm households construct an increasingly diverse portfolio of activities and assets in order to survive and to improve their standard of living.

It is a cumulative process that requires investment in improved farm practices or in nonfarm assets, or a combination of both, according to the options available for risk reduction and income generation. Where there are no feasible opportunities to diversify income activities, migration and remittances between rural and urban areas may be important in sustaining rural livelihoods. The components of rural livelihood diversification are commonly classified by sector (farm or non-farm), by function (wage employment or self-employment) or by location (on-farm or off-farm). The classification by sector follows standard national accounting systems. Classification by function depends on how labor is compensated, while that by location depends on where the activity takes place.

1. **By sector**

**Farm (agricultural):** Production of unprocessed crops, livestock, forest, or fish products from natural resources. This category also includes farm wage labor, sale of farm output and consumption-in-kind of own farm output. Farm income may provide capital for rural nonfarm employment and migration.

**Nonfarm (non-agricultural):** Includes all income-generating activities other than the production of primary agricultural commodities. Examples include mining, manufacturing, utilities, construction, commerce, transport, government services, among others. It also includes agro-processing, transport or trading of unprocessed crop, livestock, forest and fish products. Nonfarm income plays a key role in strengthening the potential of smallholder farming as a pathway out of poverty.

1. **By function**

**Wage employment:** Involves an employer–employee relationship, where the employee sells labor services to the employer in exchange for a wage or salary.

**Self-employment:** Involves the sale of labor services to oneself, rather than working for an employer that pays a wage or salary. Income is earned through activities operated directly by the owner.

1. **By location**

**On-farm:** Income activity takes place on the farm, for example, crop and livestock production, hunting, fishing or gathering from natural resources.

**Off-farm**: Income activity takes place away from the farm (rural or urban, local or foreign). Typically includes all in the nonfarm category. Also refers to wage or exchange labor on other farms, and labor payments in kind such as harvest sharing and other non-wage labor contracts. Increases in off-farm incomes provide incentives for farm households to diversify their activities.

**Food Security in Ethiopia**

Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for a healthy and active life. a household is considered food secure if it has the ability to acquire the food needed by its members to be food secure. Today the world has enough food to feed everyone, yet an estimated 854 million people worldwide are still undernourished.Poverty, not food availability, is the major driver of food insecurity.

The most commonly accepted definition of Food security is “access by all people at all times to enough food for an active and healthy life”.There is food security when all people at all times have sufficient physical and economic access to safe and nutritious food to meet their dietary needs including food preferences, in order to live a healthy and active life. Food insecurity is a situation in which individuals have neither physical nor economical access to the nourishment they need. A household is said to be food insecure when its consumption falls to less than 80% of the daily minimum recommended allowance of caloric intake for an individual to be active and healthy. In particular, food insecurity includes low food intake, variable access to food, and vulnerability.

While transitory food insecurity describes periodic food insecurity as for example seasonal food insecurity, the permanent food insecurity describes a long-term lack of access to sufficient food. Food security may be insured in developing community if and only if they pursue sustainable livelihood strategies.

There are different factors to note as causes of hunger or food insecurity in developing countries like Africa. Causes of hunger are many including natural, social, economic, and political factors.Food production failure, market failure or lack of purchasing power, and response failure as the three causes of food insecurity in Ethiopia.

Households most vulnerable to food insecurity generally include those which lack productive assets and depend on irregular income from daily wage labor.

* **Food availability**: having sufficient quantities of food from household production, other domestic output, commercial imports or food assistance,
* **Food access**: having adequate resource to obtain appropriate foods for a nutritious diet, which depends on available income, distribution of income in the household and food prices,
* **Food utilization**: proper biological use of food, requiring a diet with sufficient energy and essential nutrients, potable water and adequate sanitation, as well as knowledge of food storage, processing, basic nutrition and child care and illness management.
  1. **Sedentary Farming**

Sedentary farming is a method of agriculture in which the same land is farmed every year. This is in contrast to nomadic farming, in which new areas are farmed as the soil becomes less nutrient-rich from extensive planting, and shifting cultivation, which uses controlled forest fires to produce arable land.

Agriculture as practiced in one place by a settled farmer in which fields are not rotated is called sedentary agriculture. The term was used for primitive agriculturists in tropical Africa who farmed the same piece of land indefinitely in contrast to shifting cultivation.

Sedentary agriculture is mostly confined to the tropical lands where the fallowed fields are frequently reused and the cultivator stays permanently at one spot. The rotation of crops is practiced and in comparison to shifting cultivation, greater attention is paid to the land and to the crop sown.

The methods of tillage are intensive; ploughing and hoeing of the soil is done with crude, hand imple­ments. There is more employment of manpower in the fields. Mixed cropping is adopted and more than one crop in a year is sown. The intensification of agriculture helps in sustaining a relatively larger population on a permanent basis at a better standard of subsistence and nutrition.

The farmer keeps many more cattle including cows and buffaloes. The domesticated animals are used for draught purposes as well as for milk and meat purposes. The crops are generally sown in the cool season which grow throughout the rainy period and are har­vested in the dry season. The crops, like maize, millets, paddy, vege­tables, sweet-potatoes, root-crops, banana, tapioca, squash, tobacco, small millets and pulses are grown in this type of agricultural system.

* 1. **Pastoralist**

Pastoralism is the branch of agriculture concerned with the raising of livestock. It is animal husbandry: the care, tending and use of animals such as camels, goats, cattle, yaks, llamas, and sheep.

Pastoralists are communities whose livelihood depends on extensive use of land and freedom of movements with seasonal varied grazing and watering points. Pastoralists have multiple economic and social purposes like livestock production, irrigation, minerals, tourism and biodiversity.

For example, in Ethiopia pastoral community accounts 61% of the country`s territory and 12% of the population. However, they are the most under developed areas in the country. They are prone to drought, famine and conflict. The common threats are population growth, loss of grazing and watering points, climate change, displacement and influx of refugees.

* 1. **Infrastructure and service provision in rural areas**

Infrastructure is essential ingredients of increased agricultural productivity. Infrastructure can facilitate the emergence and growth of financial institutions that increase access to working and investment capital or reduce the costs of borrowing for long-term investment. Livelihood improvements and diversification are facilitated by infrastructural development, emergence of rural towns and improving accessibility to urban areas. With better functioning markets and improved transport and communications infrastructure in rural areas, farm households diversified to include nonfarm activities as a way to increase their incomes. In the later stages, with rising incomes and higher standards of living, they either specialized in farming on larger consolidated farms or moved into high-return nonfarm sectors.

* 1. **Analysis in Sub Saharan Africa**

Sub-Saharan African communities are suffering with the impacts of droughts, floods, rising temperatures and erratic rainfall, which are threats for the livelihoods of the poorest households in rural areas.

In SSA, many rural smallholder farmers have increasingly diversified their livelihoods through nonfarm activities and migration. Rural households in SSA are subsistence farmers who produced most of the farm and nonfarm goods and services they required. Because agriculture was mainly for subsistence, trade and commerce remained marginal. Due to high population pressure, farm sizes in SSA are generally becoming smaller. The already declining farm sizes coupled with the high population growth could have a potentially negative impact on rural welfare and food security in SSA. The increasing population density has already encouraged more intensive use of land in high density areas of SSA, albeit in the absence of modern input use (fertilizer or irrigation), indicating unsustainable intensification. Increase in food production in SSA has so far been mainly based on the expansion of cultivated areas, which is now limited by declining farm sizes and the expansion of urban areas. Shrinking farm sizes and growing landlessness are by default pushing unskilled farm labor into mainly low-return nonfarm sectors. Urbanization in SSA is taking place without industrialization. In the absence of manufacturing industries and high-return service sectors to provide skilled nonfarm opportunities, prospects for increased employment and rising incomes in urban areas of SSA remain limited. This leaves smallholder farming as the primary option for gainful employment for SSA’s growing young labor force. Persistent low agricultural productivity coupled with chronic food insecurity and severe poverty characterizes the smallholder rural economy in SSA. In SSA low agricultural productivity is mainly linked to low fertilizer use, low responsiveness to fertilizer use due to overexploitation of land leading to nutrient mining and loss of organic matter, low use of irrigation, insecure land tenure, environmental degradation and underinvestment in crop research. As a consequence of poverty and food insecurity, a large proportion of smallholders remain deeply engaged in subsistence staple crop production, but at the same time seasonally rely on the market for their staple food needs.

With better functioning markets and improved transport and communications infrastructure in rural areas, farm households diversified to include nonfarm activities as a way to increase their incomes. In the later stages, with rising incomes and higher standards of living, they either specialized in farming on larger consolidated farms or moved into high-return nonfarm sectors.