Livelihoods Analysis

Specialization Module for Fisheries SocMon Workshop
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What is a livelihood?
A combination of the resources used and the activities undertaken in order to live.

Resources:
- Individual skills and abilities (human capital)
- Land (natural capital)
- Savings (financial capital)
- Equipment (physical capital)
- Relationships (social capital)

Sustainable livelihood: can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets (current standard of living) both at present and in the future, while not undermining the natural resource base

Sustainable Livelihoods Approach (SLA)

- Approach to development focused on people's livelihoods
- Focus on the ability of people to support themselves now and in the future
- Flexible in application
- SLA is broad and encompassing, with 6 core principles/objectives:
  - People-centred
  - Holistic
  - Dynamic
  - Building on strengths
  - Multi-level
  - Sustainability

SL Framework

A tool to enhance our understanding of livelihoods: summarises the main components of and influences on livelihoods

What is the vulnerability context?

A complex array of influences having direct or indirect impact on livelihoods

- The VC frames the external environment in which people exist
- People are shown as pursuing their livelihoods in a context of vulnerability including shocks, trends and seasonality

Vulnerability Context

Shocks, Trends, Seasonality

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Diagram illustrating the sustainable livelihoods framework (modified from DFID 1999).
Livelihood assets

• SL framework identifies 5 core asset categories or types of capital on which livelihoods are built
• No single category of assets on its own is sufficient to yield the numerous and varied livelihood outcomes people seek
• Building a livelihood requires inclusion of all 5 assets to some extent

Livelihood Assets: What is Human Capital?

- Skills
- Knowledge
- Capacity to work
- Good health

Human capital
Required to make use of the of any of the 4 other types of assets

Livelihood Assets: What is Social Capital?

- Formal and informal relationships (social resources) from which various opportunities and benefits can be drawn by people in pursuit of their livelihoods
- Relationships are developed through investment in:
  - interactions (through work/shared interests) that increase people’s ability to work together
  - membership of formal groups where relationships are governed by accepted rules and norms
  - relationships of trust that facilitate cooperation, reduce transaction costs and may provide the basis for informal safety nets amongst the poor

Benefits of social capital: access to - information, influence or power, and claims or obligations for support from others

Livelihood Assets: What is Natural Capital?

- The natural resource stocks people depend on for their livelihoods

Natural capital
Vulnerability context

Natural capital of fishers in the Grenadines

Fisherman’s Day – Port Elizabeth, Bequia
Livelihood Assets: What is Physical Capital?
- Infrastructure and producer goods needed to support livelihoods
  - Infrastructure: changes to the physical environment that help people meet their basic needs and be more productive
  - Producer goods: tools and equipment that people use to function more productively

Livelihood assets:
- Infrastructure:
  - affordable transport
  - secure shelter and buildings
  - adequate water supply and sanitation
  - communications
  - clean, affordable energy
- Producer goods:
  - productive capital
  - personal consumption items

Livelihood objectives

Livelihood strategies

Physical capital of fishers in the Grenadines

Source: Staskiewicz and Mahon, 2007

Physical capital of WTops in the Grenadines

Livelihood Assets: What is Financial Capital?
- The availability of financial resources (cash or equivalent), that enables people to adopt different livelihood strategies and achieve their livelihood objectives.

Livelihood objectives

Livelihood strategies

Available stocks
- cash
- bank deposits
- liquid assets
- pensions
- remittances

Regular inflows of money

The most versatile of the 5 assets but least available to the poor

Transforming Structures and Processes
- Give meaning and value to livelihood assets
- Institutions, organisations, policies and legislations that shape livelihoods
- Operate at all levels (household to international), and in all spheres (private to public)
- Determine access to public and private resources and the terms of trade between different types of livelihood assets
- Influence the returns (economic or otherwise) to livelihood strategies
Transforming Structures and Processes:
What are structures?
• Organisations (private and public) that set and implement policy and legislation, deliver services, purchase, trade and perform all functions that affect livelihoods

Public sector
• Political legislatures at various levels (from local through to national)
• Executive agencies
• judicial bodies (courts)
• Parastatals (governmental agencies)

Private sector
• Commercial enterprises and corporations
• Civil society memberships (of any degree of formality)
• NGOs (international, national, local)

Structures help make processes to function

Transforming Structures and Processes:
What are processes?
• Determine the way in which structures (and individuals) operate and interact – policies, laws, institutions, culture, power relations
• Many types of processes operating at a variety of different levels with overlap and conflict between them

Livelihood Strategies
• The range and combination of activities and choices that people make in order to achieve their livelihood goals
• Livelihood strategies include:
  - how people combine their income generating activities
  - the way in which they use their assets
  - the assets they choose to invest in
  - how people manage to preserve existing assets and income
• Livelihood strategies are diverse at every level
  - Within geographic areas, across sectors, within households, over time

Livelihood Strategies

FISHING

Skills
- Skilled labour
- Carpenter
- Construction
- Painting
- Labourer
- Masonry
- Mechanic

Other
- Bar Owner
- Gardening
- Kitchen helper
- Sales Clerk
- Farmer
- Domestic worker

Income
- Tourism
- Acts, codes
- Taxi driver
- Water taxi
- Vending
- Tour and chartering boats

Public sector
- Ambulance worker
- Airport maintenance

Maritime and Trade
- Boat building
- Sailing/Cargo
- Working at ports

Source: Staskiewicz and Mahon. 2007
Livelihood Strategies

- People's choice of livelihood strategies is influenced by their access to different levels and combinations of assets
  - Those who have the most assets are more likely to be able to make positive livelihood choices
  - They will be choosing from a range of options to maximise their achievement of positive livelihood outcomes
- Transforming structures and processes can reinforce positive choices
- Livelihood strategies are intimately linked with people's livelihood outcomes (objectives they seek)

Livelihood Outcomes

- Achievements (results) of livelihood strategies
- Outcome categories
  - More income
  - Increased well-being
  - Reduced vulnerability
  - Improved food security
  - More sustainable use of the natural resource base
- Conflict between livelihood outcomes
  - When increased income for particular groups is obtained through practices that are detrimental to the natural resource base
- Close relationship between livelihood outcomes and assets, with these linked through livelihood strategies

Conducting SL Analysis

- Scope and scale of analysis
- Sequence of work
- Who is responsible for what
- Knowing when to stop

Conducting SL Analysis: Scope and scale of analysis

- Initially broad and shallow covering most or all aspects of the SL framework
- As the main dimensions of livelihoods are uncovered and the meaning and causes of poverty become better understood the analysis should then become narrower and deeper

Conducting SL Analysis: Sequence of work

- Site(s) selection for poverty reduction activity (usually based on secondary data, existing partnerships and activities)
- Further secondary data collection and analysis
- Key informant interviews
- Community meetings
- Validation and significance of issues through participatory work
- Additional in-depth investigation
Conducting SL Analysis: Who is responsible for what?

- Ideally teams performing SL analysis for project or programmed purposes would incorporate specialists (social, economic, environmental etc.)
  - Team coordinator with a strong background in SL issues
  - Coordinator guides the process, designs the analysis so that it is cross-disciplinary and cost-effective

- It is not always possible to put together teams with an array of specialists (for cost or other reasons)
  - All team members will have to take a wide view of the task at hand to ensure that key dimensions are not neglected
  - If opportunities or problems appear to be concentrated in a certain area for which there is no specialist, the analysis may have to be revisited with a specialist at a later date

Conducting SL Analysis: Knowing when to stop

- SL approach is prone to 'information overload'
  
- Important to avoid spending too much time and resources on information collection, to the detriment of analysis and interpretation

Tools for use in SL analysis

- Environmental checklists
- Gender analysis
- Governance assessment
- Institutional appraisal
- Macro-economic analysis
- Market analysis
- Participatory poverty assessment techniques
- Risk assessment
- Social analysis
- Stakeholder analysis
- Strategic conflict assessment (SCA)
- Strategic environmental assessment (SEA)
- Rapid and participatory methods
- Sample surveys