Applying sustainable livelihoods approaches to improve rural people’s quality of life

Dr Ian Goldman
Team Leader, Monitoring and Learning Facility, Programme to Support Pro-Poor Policy Development, Presidency, Republic of South Africa
Summary

- Builds on 3 strands of work
  - Evaluation of situation in 22 priority rural and urban nodes
  - Work over 11 years by Khanya-aicdd on livelihoods and community-driven development (CDD) in S/E Africa
  - Recent research on good practice on promoting meaningful rural livelihoods in S/E Africa, Latin America, India and US (funded by Ford Foundation)
- Poverty is multidimensional, of different types, not only economic
- Potential of livelihoods approaches to enhance wellbeing
Need to promote people’s assets, agency, and change rules of the game to address meaningful rural livelihoods

Change in approach required from service agencies to promote agency

Potential of community-driven approaches to enhance people’s sense of agency

Implications for the development system

Operating at scale
Rural poverty is a key problem

- "From 2006-2008 In the urban nodes …. service delivery has improved, and poverty has levelled off after dropping dramatically between 2001 and 2006 (when social grants began to be paid out in significant numbers).

- In the rural nodes, an almost entirely different situation obtains. Poverty continues to inch downwards, slowly, but services are available to very small proportions of residents, and – as we argued in 2006 – to be poor and living in a rural node is the toughest position to be in South Africa. The key development and anti-poverty challenge remains a rural one." (Strategy and Tactics 2008 p7).
**The poor see themselves in a multidimensional way**  
*(Alfred Nzo, E Cape)*

<table>
<thead>
<tr>
<th>Poor</th>
<th>Poorest of the Poor</th>
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<tbody>
<tr>
<td>Live in remote rural areas</td>
<td><strong>Homeless</strong> and helpless and sleep in the streets</td>
</tr>
<tr>
<td>No stable source of income and live from hand to mouth</td>
<td>Beg for a living</td>
</tr>
<tr>
<td>Unable to participate in development activities</td>
<td>Cannot access grants as they have <strong>no IDs</strong></td>
</tr>
<tr>
<td>Open to exploitation, abuse and cheap labour</td>
<td>Poor <strong>health</strong> due to poor sanitation and unclean water</td>
</tr>
<tr>
<td>Children are not healthy</td>
<td><strong>Food</strong> is scarce and they depend on handouts or food from bins. They cannot choose what to eat</td>
</tr>
<tr>
<td>Most have lost their dignity</td>
<td>Have low <strong>self esteem</strong></td>
</tr>
<tr>
<td>Referred to as people who cannot make their own beer</td>
<td>No change of <strong>clothes</strong></td>
</tr>
<tr>
<td>Have to endure hardship</td>
<td>Have no <strong>social networks</strong></td>
</tr>
<tr>
<td>Rely on grants</td>
<td></td>
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</tbody>
</table>
Different types of poor people need different types of support

- **Extreme dependent poor** or **chronically dependent poor**
  - lack minimum capacity to participate in formal or informal economy.
  - include old people from very poor families and people variously ‘capability-challenged’ and without social support systems.
  - They need continued social or public support.

- **Extreme vulnerable poor** or **declining poor**
  - participate in economy but on downward spiral, keep accumulating social, economic and capability deficits, and often have practices and behaviour unsustainable in the market place.
  - With suitable strategies they can graduate out of present condition.
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  - requires **public investments** to help them negotiate various externalities,
Different types of poor people need different types of support

- **Coping poor**
  - stagnant but on the precipice and could fall into the lower category as often locked into unsustainable production systems and cannot imagine alternatives
  - Their risk threshold does not permit accumulation of social, financial and economic assets necessary to transit into the next higher category purely through market instruments
  - some public support is necessary but must be provided in ways that enhances their agency and builds experience useful for dealing with the mainstream and standing on their own feet.
Different types of poor people need different types of support

- **Dynamic poor**
  - Have self-confidence, risk taking ability and economic behaviours to be able to graduate out of poverty if they get a level playing field
  - *fair market instruments* are adequate for them to transit out of poverty.
Interventions at different levels of poverty and potential for growth

**Figure 3: Interventions at different levels of poverty**

- **Non Poor**
  - Market access, BDS, financial services

- **Dynamic Poor**
  - Health, education, SHGs

- **Coping Poor**

- **Extreme Vulnerable Poor**
  - (economically active but marginalised & vulnerable)

- **Extreme Poor Children**
  - (inheritors of extreme poverty)

- **Chronically Dependent Poor**
  - (state support, social protection systems)
  - Elderly, Disabled without family support

- **Processes that develop agency; overcome hopelessness**

- **Increasing agency**
- **Increasing resilience**
SL Framework, from Khanya-aicdd, adapted from DFID

- Capital assets of HH/Comm
  - Policies, institutions, processes
    - Macro
    - Meso
    - Micro

- Vulnerability to stresses and shocks
  - Natural
  - Social
  - Physical
  - Human
  - Financial

- Livelihood outcomes desired
  - Impact on vulnerability
  - Influence

- Livelihood strategies chosen
  - Impact on livelihoods
  - Increasing opportunities

- Implementation
  - Increasing opportunities
So wider than the economic

- Concept of assets and capabilities (5+)
- Vulnerability
- People’s preferred outcomes
- Livelihood strategies they use (and which can be enhanced)
- The policies, institutions and process (rules of the game) which enable or inhibit people
So what interventions can we do to improve livelihoods?
Building meaningful rural livelihoods

- Research funded by Ford Foundation in S/E Africa, Latin America, India and US
- One element that emerged was the need to support several aspects if “meaningful rural livelihoods” are to be addressed:
  - **Self-confidence/agency** to participate, **self-belief**, capability to claim;
  - **Equitable** and **certain access**, **authority** to use and **leverage** assets;
  - Capability to **steward**, use, secure and build own assets, maximising **locally retained value**;
  - **Scalability** and **impact** of interventions; and
  - Understanding **limits to use** for needs of future generations.
The need for multiple roles – and so hybrid organisation or partnerships
promoting agency requires a change in attitude of government and service providers

From treating people:

- **As beneficiaries** – where organisations hand out assets and services to them. The implicit assumption is that poverty is merely a result of accumulated deficits and would go away with an injection of assets and services.

- **As clients** – the relationship is essentially transactional, and is limited by the suitability or worthiness of the client. Investment is not made if it does not bring assured returns at acceptable/manageable risk.

- **To responsible citizens** – with rights and obligations and who are agents of their own change. The organisation believes *a priori* that people have capability, that they are worthy and sees its own role as actualising that capability so that people drive change for themselves.
From transactional to transformational

- **Transactional approaches** – such as micro-finance services, business development services and improving access to markets – focus primarily on improving assets but not agency or changing the rules of the game.

- **Transformational processes** focus on empowering citizens to build their voice, claim assets, and influence decisions, procedures and (eventually) the formal and informal rules of the game, working to support the development of people’s own agency rather than perpetuating dependent relations, as well as providing services. The end point of any intervention is to exit from that relationship.
Another way of looking at promoting agency, assets and changing rules of the game - CDD

- **Community consultation model**: government agencies or NGOs consulted communities, but operated as direct service providers using their own staff;

- **Community participation model**. Government agencies or NGOs invited participation from communities in choosing development priorities and project design, co-financing the investments, and contributions in cash or in kind, and operating the investments once they were completed;

- **Community empowerment model**. Implementation responsibility for projects was entirely devolved to communities, along with the funds for implementation. These are referred to as community-driven development (CDD) or local and community-driven development (LCDD) where the role of community and local government is seen as critical.
Examples of CDD

Applied in Brazil, Mexico, Indonesia, as well as in poorer countries in Africa

- **Mexico** – Over one million projects funded in 15 years, nationwide – mostly infrastructure. Program is now national policy with its own budget;

- **Brazil** – Over 300,000 projects funded in 1100 poor municipalities – much of it in infrastructure;

- **Indonesia** - around $1.3 billion is being provided to communities through an infrastructure programme at the Kecamatan level - now national policy, integrated into the fiscal system, and covers about 60,000 rural villages except Jakarta, in all 4,805 rural kecamatan/sub-districts.

- **SA** proposal to Treasury from COGTA for Community Development Grant averaging R200k/ward, building on community-based planning (CBP) - applied quite widely in SA (and is national policy in Uganda)
Not just idealistic

- CDD approaches applied at very large scale from Mexico, Brazil, Indonesia, to Malawi, Tanzania, Zambia (and for example in Kerala)

- The Ford Project looked at examples from
  - Umsombomvu Youth Fund, and at scale
  - From ACAT in KZN
  - In Mozambique, Kenya and Tanzania
  - Excellent examples in India and Latin America (and I will visit one before the conference)

- Requires also the **enabling conditions**, eg in macroeconomic policy, policy supporting small-scale farming, as well as decentralisation
Some implications – assets, agency and rules of the game

- National policy to have **pro-poor and multidimensional** approaches to poverty across government – not just a social problem
- Greater **decentralisation** to local governments (SA not very decentralised compared to say Uganda, Tanzania, or Burkina Faso, main decentralisation here to provinces)
- **Funding of communities** as per COGTA proposal for ward dev grants
- Implementation of **community-based services and paraprofessionals** to get range of services into all communities (eg home-based care, farmer extensionists, volunteer police and firemen)
- **Mobilisation of NGOs and CBOs** to support this, linked to building capacity of communities and civil society
- **Incentives for partnership** and integrated approaches
- Systems for effective **intersectoral coordination** including NGOs such as district development coordinating committees which take responsibility for the local gov plan (IDP) and implementation
- Improving **accountability** through service committees involving citizens
Operating at scale

- We don’t know all the answers – these have to be explored with poor people – learning through action
- Set up platforms for learning and experimentation as in CRDP pilots – but some lessons around how to design pilots
- Build in potential for replication and scaling-up, key in all the decisions
  - is the money involved replicable
  - will it work with the type of systems which exist
  - do the types of partners needed exist
- Address limitations in scaling up – understanding, capacity, systems, mainstream funding
- *Festina lente* (Latin: to hurry slowly)
Conclusions

- Focusing on building assets (reducing vulnerability), agency and changing rules of game
- We need responses in multiple sectors to support livelihoods
- Communities developing plans for their area (model exists, CBP)
- Substantive transfers to communities building agency, assets and so changing rules of game (plan gone to Treasury)
- Building capacity in diverse areas, using community-based and paraprofessional responses to reach into all communities (models exist)
- Must build incentives for partnership approaches (don’t exist)
- With local government strengthened and playing the key coordination role, funded plan, “district coordinating committees”
- And clear process of learning, experimentation and upscaling
- Many elements in CRDP – need to clarify how to ensure replicability and upscaleability
- Many elements in SA, but not upscaled to a national system