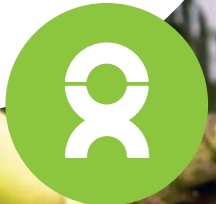


The Right to a Sustainable Rural Livelihood

Strategies, Lessons Learned and Actions (2008–2010)



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(2008–2010)**

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Acronyms

ACP	African, Caribbean and Pacific countries
AIDS	acquired immunodeficiency syndrome
CBO	community-based organisation
CBCRM	community-based coastal resource management
EPA	Economic Partnership Agreement
EJ	economic justice
ETI	Ethical Trading Initiative
EU	European Union
GAP	good agricultural practices
GBV	gender-based violence
GCAP	Global Call to Action against Poverty
GHGs	greenhouse gases
HIV	human immunodeficiency virus
IFI	international financial institution
IP	intellectual property
KIC	Knowledge Infrastructure for and between Counterparts
MDGs	Millennium Development Goals
MFI	microfinance institution
NGO	non-governmental organisation
OI	Oxfam International
Q&C	Quality and Control
RBA	rights-based approach
RiC	Rights in Crisis
RSPO	Roundtable on Sustainable Palm Oil
R&D	research and development
SL	sustainable livelihoods
SPM	strategic programme management
WTO	World Trade Organization

Executive summary

Oxfam Novib has a long history of rural development programming. Agriculture has been an important focus of this approach. Some 2.5 billion people in developing countries depend on agriculture for their livelihoods. Both history and evidence attest to the importance of agriculture for overall growth and poverty reduction. This position paper provides an overview of Oxfam Novib's upcoming work on the right to a sustainable livelihood.

Chapter 1 presents evidence of the poverty-reducing effects of agriculture relative to other sectors. This is why Oxfam Novib will continue to support agricultural work. Oxfam Novib's counterparts have made important contributions to practices and policy changes that favour small farmers. At the same time, Oxfam Novib recognises the importance of remittances, migration and the growth of non-farm strategies for improving the economic well-being of people living in poverty. In the coming years, Oxfam Novib will undertake a number of pilot projects and research projects as part of its innovation theme for Aim 1 – the right to a sustainable livelihood – to improve understanding of these dynamics, distil lessons learned and develop appropriate interventions for supporting these livelihood strategies.

Chapter 2 reviews the major changes that have influenced the current state of the agriculture and food supply system and touches on those likely to come. Evolving supply chains, environmental degradation, climate change, HIV/AIDS and population growth are also likely to place greater pressure on the viability of the smallest farms. For many of the poorest farmers and labourers to prosper, a different set of policies and practices is needed.

Chapter 3 presents several typologies and concepts that can be used to assist Oxfam Novib staff in conducting regional and national-level analyses. It suggests that programme staff use the sustainable livelihoods framework to draw attention to assets, and power and gender analyses, as well as tools for assessing vulnerability to address the needs of men and women living in poverty.

Chapter 4 outlines three strategies areas in Oxfam Novib's livelihoods work: building and protecting assets; encouraging governments and the private sector to act responsibly; and creating opportunities for poor people. In rights language, these strategies are aligned with the obligations of duty bearers – governments, the private sector and multilateral institutions – to respect, to protect and to fulfil the right to a sustainable livelihood.

The first strategy focuses on helping poor people to build up their assets so that they can claim their rights. Sustainably managed natural resources offer livelihood opportunities and are critical for reducing vulnerability, especially in light of climate change. For those among the rural poor who have more productive assets, actions will focus on improving access financial services, so that they can benefit from better access to markets. For farm labourers, decent wages and working conditions are key to improving their lives.

The second strategy includes work aimed at influencing duty bearers to adjust their policies and activities so that they are sustainable, in line with international human rights law, and benefit all men and women living in poverty.

The third strategy involves work aimed at securing the conditions that will enable small producers to take advantage of new market opportunities, and to participate in decision making, and ensuring that international arenas become pro-poor (e.g. through campaigning). Oxfam Novib will focus on changing the rules of the game so that the needs of the poor are acknowledged, and on creating the conditions for pro-poor growth. In its campaign work, Oxfam Novib will focus on the need for small farmers to be included in market chains, and to be protected against import competition. It will also focus on the need for the private sector to purposely look for small suppliers, and to establish criteria and governance that will make it easier for small-scale farmers to become competitive. In other words, the focus will be on creating opportunities for those farmers who have the right assets to benefit from trade.

Underpinning these three strategies, Oxfam Novib will need to link its programme, lobbying and campaign work for maximum impact. Chapter 4 highlights the importance of lobbying for policies that will ensure decent working conditions for farm workers, and respect for their human rights, as well as for a just post-Kyoto agreement to address climate change.

Finally, chapter 5 outlines the actions that Oxfam Novib will undertake to translate this policy into action. These will include staff training, and testing the concepts presented in this paper to update the strategic programme management plans (SPMs). The chapter also calls for greater cooperation and integration with planned projects in gender and power analyses, and for new monitoring tools to update this policy in the future.

Within the framework of country and regional programme management plans, lobbying and advocacy work, this paper aims to help Oxfam Novib think through the policy options and to improve the effectiveness of its work.

1 The context

Raising crops and livestock for food and for sale, working in a safe environment for a decent wage, setting up micro-enterprises and fishing in clean waters – these are the basic requirements for poor men and women seeking to improve their lives. But in many developing countries farmers must plant crops in soil that is already degraded from overuse or erosion. They battle against drought, floods, pests and diseases. And if, against all odds, they do manage to reap a successful harvest, they then have to travel poor roads in the hope of finding buyers for their produce. Faced with limited access to international markets, and the rising costs of farm inputs, many farmers are forced to leave their farms in search of employment opportunities elsewhere. Women have the hardest time, in that they also face financial, legal and social barriers to improving their livelihoods.

Changing this scenario is possible. Changing the unequal power relations that perpetuate poverty and inequality is also possible. It is happening in many places around the world. Poor men and women are increasing their assets, they are setting up institutions that represent their interests, and are getting governments and the private sector to listen to their demands.

Overcoming poverty by strengthening the livelihoods of men and women living in poverty has long been central to Oxfam Novib's work to achieve its five aims (see box 1), although the focus and strategies have changed over time. This paper describes Oxfam Novib's priorities for Aim 1 – the right to a sustainable livelihood. It explains the work we do through long-term development programmes, lobbying and advocacy campaigns, as well as humanitarian assistance. It also states how we believe positive changes can happen, and what we aim to achieve.

Box 1. Oxfam Novib's five aims

Aim 1	The right to a sustainable livelihood
Aim 2	The right to basic social services
Aim 3	The right to life and security
Aim 4	The right to be heard: social and political citizenship
Aim 5	The right to an identity: gender and diversity

This paper consolidates the current thinking on livelihoods, based on the business plans of Oxfam Novib and Oxfam International (OI), as well as on the lessons learned from evaluations and research, and the experiences of its counterparts. It seeks to provide a conceptual basis for innovative work on livelihoods in the coming years, and to explain to staff and to external agencies how Oxfam Novib and its counterparts will continue their work to achieve the right to a sustainable livelihood.

1.1 Sustainable livelihoods: working across the rural-urban divide

This section explains Oxfam Novib's approach, its working principles, and the lessons learned from funding organisations working on sustainable livelihoods.

Oxfam Novib has two objectives – achieving food and income security and securing decent employment conditions – both of which are critical for overcoming poverty. Without sufficient food and incomes, people are unable to provide for their families, or to participate in various aspects of social and economic life. Likewise, without decent wages and working conditions, poor women and men – whether producers or consumers – lack the power to access and influence markets, or to improve their welfare. Sustainable livelihoods are a right, enshrined in international human rights law.

Much of Oxfam Novib's work has focused on rural areas and agriculture (see box 2). This focus will continue, as explained in Oxfam Novib's business plan:

- Global poverty is predominantly rural. It is estimated that 62% to 75% of all poor people live in rural areas. More than 70% of the world's poor live in South Asia and sub-Saharan Africa.¹
- Despite increasing urbanisation, it is estimated that in 2035 more than 50% of poor people will remain in rural areas, most of them smallholders. In many countries, rural poverty is more severe than in urban areas, particularly among agricultural workers (often over 60%),² women and indigenous communities.³
- There is robust evidence that investments in agriculture are more effective in reducing poverty than spending in other sectors.⁴

Box 2. Agriculture, livelihoods and rural livelihoods

- **Agriculture** refers to farming, livestock herding and production, non-timber forest products, fishing and aquaculture.
- **Livelihoods** are defined as 'the activities, the assets and the access that jointly determine the living gained by an individual or household'.
- **Rural livelihoods** are dependent on natural resources as sources of income. Rural people can be smallholders, but also farm labourers and tenants.

Another reason why Oxfam Novib is working on agricultural issues relates to the wealth of expertise of its counterpart organisations. They are well positioned to play an active role in restructuring agriculture so that poor men and women farmers can benefit. They also have valuable experience in addressing environmental issues because farmers play a role not only in food production but also as stewards of much of the world's natural resources.

The current attention to climate change has raised awareness of how resource-dependent households will be affected by floods or drought. Of course, shifts in climate will bring different changes to different regions. Some areas may benefit from

¹ Data from IFAD (2001); IWMI (2007).

² Agricultural workers include plantation or estate workers; subcontracted, migrant or casual labourers employed by small-scale producers; wage-dependent farmers; and landless labourers.

³ Data from IFAD (2001, 2003).

⁴ OECD-FAO (2006) *Agricultural Outlook 2006-2015*, p.17.

increased rainfall, for example. But on balance, those living in the poorest regions are likely to suffer most because they are least able to adapt to new conditions. Organisations working at the local level have the experience and knowledge that will be needed to make livelihoods more resilient to increasing climate variability.

In the past, it was assumed that increased farm output would in turn generate off-farm income-generating opportunities via linkage effects. This assumption is no longer tenable, however. For many rural families, farming alone is unable to provide sufficient means of survival. They therefore turn to other activities in order to spread the risks, or to cope with labour or credit market failures and other shocks. Recent research in Southeast Asia and Africa has found that many rural people are abandoning agriculture in favour of more lucrative employment opportunities elsewhere. In some parts of Africa, it is estimated that up to 42% of total rural income now comes from off-farm sources.⁵ Increasingly, rural households are dependent on remittances from family members to supplement their incomes. Whether these migrants are being 'pushed' or 'pulled' to urban areas and to have several jobs, many households are now multi-locational and multi-functional.

Migrants and diaspora associations make financial and other investments in their home countries, thus strengthening the local economy and serving as conduits for new ideas. But it is equally important to recognise the human and social costs of migration. Many migrant workers, particularly women, are marginalised in both their home and host countries, where they rarely participate in social, economic or political life.

Oxfam Novib recognises the importance of the diversification of income strategies, remittances and migration in reducing poverty. Innovative policies, institutional strengthening and capacity development efforts are urgently needed in each of these areas. From a livelihoods perspective, community-based institutions such as rural banks, women's cooperatives and microfinance institutions could be used to link remittances to development. The challenge is to address the practical barriers that hinder the flows of remittances and other resources for strategic economic purposes, and to make maximum use of financial institutions, government agencies and civil society organisations at various levels. At the same time, it is necessary to respect the rights of migrants and their families and address the causes of migration. In the coming years, as part of its innovation theme for Aim 1, Oxfam Novib will launch a number of pilot projects and research projects to improve understanding of these dynamics, distil lessons learned, and develop appropriate interventions to support these livelihood strategies.

Accordingly, Oxfam Novib's new policy calls for:

- 1 continuing support for agriculture in view of its potential to contribute to rural poverty reduction;
- 2 reducing the vulnerability of poor men and women by strengthening their asset base so that they are better able to manage risk and uncertainty; and
- 3 testing the assumption about the importance of agriculture for rural families. It cannot be assumed, for example, that a particular social group is dependent on the production of a particular crop or farming system for survival. Research is likely to show that individual livelihood strategies are both varied and complex. There will certainly be considerable differences between the poor and the better-off with regard to their sources of income and livelihood strategies. It will also be critical to understand gender dynamics in the diversification of livelihood strategies.

⁵ Barrett et al. (2000).

Clearly, developing policy actions that incorporate and support the diverse economic activities of mobile household members represents an enormous challenge. One strategy alone cannot address the different needs of men and women. Indeed, combinations of interventions will be needed. At the same time, it is important to recognise that livelihood policies alone will not be sufficient. Successful rural development has to integrate the provision of social services such as education and healthcare, as well as new decision-making mechanisms that will enable men and women to voice their concerns, needs and aspirations. Policies must also be informed by analyses of how women and men respond to different social, political and economic opportunities and constraints.

1.2 Working principles

Oxfam Novib's vision of sustainable livelihoods is informed by a number of working principles, as summarised below.

Addressing people's basic needs is an obligation, not benevolence

Equity and justice are at the heart of all of Oxfam's programmes, lobbying and advocacy work. For Oxfam Novib, implementing a rights-based approach (RBA) involves five elements:⁶ analysing the underlying causes of poverty and injustice; including beneficiaries in such analyses; adopting an holistic perspective; working from human rights principles; and identifying the responsibilities of both rights holders and duty bearers. But governments are ultimately responsible for ensuring their citizens' right to a sustainable livelihood. Working with a RBA implies that efforts are needed both to hold states accountable for ensuring the civil, political, economic, cultural and human rights of all citizens, and to empower both men and women to claim those rights.

Oxfam Novib works with others to address poverty and injustice

Oxfam Novib funds local NGOs, community-based organisations (CBOs), microfinance institutions (MFIs) and producer organisations, as well as social movements fighting for change. Since 2003, Oxfam Novib has also collaborated with the private sector to promote actions that will contribute to livelihoods. Private companies can contribute to development and poverty reduction as part of their core business – through employment generation, market innovations and supply chain management. Companies may be involved in advocating good governance, combating corruption, investing in infrastructure and pressing for legislation and business regulations, as well as in philanthropy and social investments.

'Active citizenship' can bring about positive change

Social change does not happen spontaneously, propelled by either diffusion or 'market forces', but is brought about by individuals and groups seeking, finding and creating opportunities and taking action. Organisations representing women, farmers, fisher folk, pastoralists, indigenous communities and rural youth must be also involved in policy making and actions to promote sustainable livelihoods. Such 'active citizenship' is at the heart of Oxfam's vision of how positive change happens. Empowered citizens who join together to express their collective voice have enormous potential to achieve greater equity and social justice, as has been shown over the years by trade unions, consumer groups and, more recently, by civil society movements such as the Global Call to Action against Poverty (GCAP).

⁶ See Oxfam Novib (2006d) *How the RBA Works in Practice*, and the position paper (2007b) explaining the RBA framework.

1.3 What have we been funding?

In 2007 Oxfam Novib funded 370 counterpart organisations working on rural livelihoods, representing 44% of the total partner portfolio. Of these, 169 organisations provide agricultural extension services; over 100 offer rural financial services; around 50 focus on off-farm activities such as vocational or entrepreneurial training; and 162 are involved in lobbying to achieve policy changes in areas such as agriculture, trade, the environment and land tenure. Finally, more than 100 counterparts are linking small farmers to markets through a value chain approach and/or by assisting them to enter speciality product markets (fair trade, organic, etc.).

The counterparts' strategies vary from one region to another. In Africa, for example, most counterparts offer agricultural extension services because of the large numbers of subsistence farmers, recurring conflicts and natural disasters, the effects of HIV/AIDS, and the lack of government support for agriculture. In Latin America, in contrast, most counterparts are involved in lobbying and in developing the value chain approach.

1.4 What have we learned?

Recent evaluations of Oxfam Novib's livelihoods work⁷ have provided some valuable lessons, as categorised below, many of which are interrelated. For example, the strategy adopted by an organisation is often dependent on its internal structure, the quality of its staff, as well as on the donor's ability to be a good interlocutor, listen and encourage innovation.

Lessons learned about counterparts' strategies

- Intervention strategies focused on human capital formation (e.g. through training) and those intended to promote market-oriented production have had important impacts, especially (often deliberately) for the wealthier strata of rural populations.
- Interventions to improve market access require cooperation with a variety of stakeholders, including financial institutions to provide credit, private sector firms with business management and marketing expertise, as well as local governments for achieving changes in public policy.
- In many countries, the policy context has a decisive influence on the success of interventions. Many projects have failed to anticipate this, or to devise appropriate ways to intercede in the policy process. The least successful interventions have been those aimed at strengthening peasant organisations, establishing NGOs or farmers' organisations to conduct marketing operations (except those linking producers with existing markets) and promoting soil or water conservation.
- Much of the work of counterparts involves preventing the creation of new poverty. Actions that 'prevent the worse' from happening – perhaps due to a new government policy, a new landowner, or deforestation – should also count as (less visible) outcomes of their work.
- Counterparts need to improve their understanding of local cultural dynamics, their complexity and how they interact, as well as of national and international policies. Many interventions have lacked a gender component, for example. All counterparts need to target their interventions in order to prevent exclusion based on income, gender, religion or ethnicity.

⁷ *Andes and Sahel; IOB Evaluation 2007: Uganda and Brazil.*

- Monitoring and evaluation efforts need to be improved, including setting benchmarks for interpreting and judging results, both to assess the effectiveness of programmes and to provide inputs for discussions on strategic issues and the comparative advantages of different approaches. Monitoring and evaluation are needed for internal learning and to demonstrate the (cost-) effectiveness of programmes for both donors and beneficiaries, and to assist in the scaling up and replication of programmes.

Lessons learned about how Oxfam Novib works

- Oxfam Novib needs to encourage innovation and change, and to allocate more resources to planning, monitoring and evaluation and learning.
- Results need to be evaluated not only in terms of increased incomes, but also of 'poverty prevented'. These results also need to be communicated more effectively to policy makers.
- Oxfam Novib needs to acknowledge the diversity of income-generating activities in rural areas, and thus avoid using simplistic terms like 'small farmer' and 'subsistence farming'. This points to the need to employ clear concepts that reflect the reality of actual experience.
- Collaboration with other donors, especially in public policy advocacy work, needs to be improved. Working with the private sector could offer important opportunities to access specialised know-how and expertise.
- As a member of OI, Oxfam Novib has given a lot of attention to improving market opportunities for the rural poor. However, this approach may not necessarily work for *all* rural people. Indeed, for some groups that may not be ready to benefit from 'markets' and 'trade', it might even make life worse. Many groups facing losing access to land, natural resources or social networks are likely to need some form of protection. Moreover, for potentially 'market-ready' rural people, market fluctuations or natural disasters can mean that the assets they have accumulated can be seriously reduced or lost altogether. Greater attention is therefore needed to protect the assets, reduce the vulnerability and enhance the resilience of these groups.
- Finally, in order to be more open to organisations employing innovative intervention strategies, Oxfam Novib could issue more frequent calls for proposals in order to stimulate change in its partner portfolio, especially for work on little explored trends like off-farm income diversification.

This position paper takes into account all of these lessons. As will become apparent in the following, Oxfam Novib has developed new tools, such as strategic programme management plans (SPMs), to assist its staff in designing better programmes. Regional campaign officers are assisting counterpart organisations to develop their lobbying and advocacy skills and to connect to policy makers at all levels. A new evaluation policy has been introduced to promote accountability and learning (see chapter 5). Finally, Oxfam Novib has established the Knowledge Infrastructure for and between Counterparts (KIC, www.oxfamkic.org) to facilitate knowledge sharing among organisations working on similar issues.

Although not all of these changes have been driven by specific lessons learned from sustainable livelihoods projects, they will nevertheless contribute to improvements in future work. The next chapter discusses a number of priority issues that hopefully will assist staff to ask the right questions about Oxfam Novib's livelihood projects.

2 Achieving sustainable livelihoods: priority issues

This chapter describes the major issues that affect men and women living in poverty, particularly in rural areas. While it is obviously not possible to cover all aspects of poverty and inequality, these are areas in which Oxfam Novib and its counterparts have built up considerable expertise, and where our work has added value. They also offer opportunities to create strong linkages between programmes and campaign work.

Neoliberal policies and structural adjustment programmes

The debt crisis of the early 1980s and the subsequent multilateral lending programmes provided an opening for the international financial institutions to impose on developing countries a neoliberal agenda of monetary devaluation, the abolition of export taxes and the removal of trade barriers. Governments were urged to cut public expenditures on farm input subsidies, marketing boards and research and extension services. Ironically, these cuts were made when they were needed most, as developing countries were urged to open up their economies to competition from countries that provide generous subsidies to their own farming sectors. These policies are also partly responsible for the current food price crisis.

International trade policies

Northern governments reserve their most restrictive trade policies for the poorest countries, costing them around US\$100 billion a year – twice as much as they receive in aid. Nowhere are the double standards of the industrialised countries more apparent than in agriculture.⁸ The subsidies paid to farmers in the United States and the European Union (EU) amount to more than US\$1 billion a day. They benefit the wealthiest farmers, cause massive environmental damage (e.g. loss of biodiversity, soil degradation) and result in surpluses that are dumped on world markets. Under international trade rules, including those of the World Trade Organization (WTO), and the EU's Economic Partnership Agreements (EPAs),⁹ developing countries are unable to protect their markets against unfair competition, with devastating impacts on small producers.

New market opportunities for small-scale producers

With the globalisation of retailing and distribution, many poor farmers are finding it more difficult to sell their produce. Supermarkets are rapidly penetrating developing country markets, leading to new demands in terms of quantity, quality and delivery schedules.¹⁰ Buying power is increasingly in the hands of a few processors and retailers, and large-scale farmers are better able to comply with stricter standards and market demands. Nevertheless, the rising demand for specialty products such as coffee is providing new opportunities for small producers. Changes in consumer demand and mounting social and environmental concerns have led retailers to develop certification systems such as fair trade, organic and ethnic labelling, and to source from small farmers. With the right policies and institutional support, many small farmers could take advantage of these emerging markets.

⁸ Oxfam International (2002) *Rigged Rules and Double Standards*, pp.6, 10–11.

⁹ Oxfam (2006a) *Unequal Partners*, Oxfam Briefing Note, p.2.

¹⁰ Reardon and Berdegue (2002) *The rapid rise of supermarkets in Latin America*, pp.317-334.

Growing food insecurity

The recent spike in food prices has been attributed to several factors, including the growing demand for biofuels and for meat in China,¹¹ and record oil prices that have increased the costs of fertiliser and of transportation. Falling supplies due to crop failures and declining yields in some countries, as well as speculation on commodity markets, have added to the pressure. But in many cases, food insecurity is the result of under-investment in agriculture and infrastructure, the dominance of agribusinesses in supply chains, and mismanaged food and agriculture policies.

All of this means that food has become very expensive for many poor people in developing countries, who spend between 50–80% of their incomes on food. Women are disproportionately affected, since they are usually responsible for buying food for their families. Although higher food prices affect millions of households, they may also provide an opportunity for poor farmers to improve their livelihoods. Radical changes in food aid policies, and the elimination of export subsidies, export restrictions and price controls, would help correct distortions in world markets and help pave the way towards a long-term solution to unstable food prices.

Changing and competing land use

In future, as the demand for land for growing food and biofuel crops continues to grow, smallholders will face increasing competition from industrial agriculture and trade. Under the right conditions, biofuels could contribute to carbon emission reductions, while stimulating agricultural development in the South. However, the ill-considered targets of the US and the EU have created a 'scramble to supply', without strong frameworks in place to protect vulnerable groups or the environment. As a result, biofuel production in the South is probably doing more harm than good, as vast areas of forest and farmland are replaced with palm oil, soy and sugarcane plantations.¹² Concerns are mounting that Northern emission targets will lead to unsustainable levels of demand for biofuels, causing loss of biodiversity and declining food security. As more farmers opt to grow biofuels (because of subsidies) rather than food crops, this could drive up food prices even further.

Environmental degradation and climate change

The UN estimates that 60% of the world's ecosystems are being degraded or used unsustainably,¹³ with grave consequences for the poorest. Overfishing, for example, is threatening the nutritional status of millions of people in Africa and South Asia, for whom fish products constitute at least 50% of their animal protein and mineral intake. Also, because of their low social and economic status, women are often more vulnerable than men to the impacts of environmental degradation. Climate change will affect the viability of farming systems, particularly in Africa.¹⁴ Clearly, environmental and climate change issues need to be better integrated into poverty eradication and economic development interventions.

Worsening employment conditions

Several factors are affecting employment patterns in developing countries. HIV/AIDS has claimed the lives of millions of farmers, reducing agricultural production. In high-risk areas, the disease is being 'feminised', threatening especially poor women, as well as organisations working in these areas. Migration is also affecting the availability

¹¹ OECD-FAO (2006) *Agricultural Outlook 2006–2015*.

¹² In Indonesia, the area of oil palm plantations increased from 1 million hectares (ha) in the mid-1980s to 6 million ha in 2007, and there plans for another 20 million ha in the next two decades. In Brazil, 21% of cultivated land is now devoted to soya (Seedling, July 2007, p.4).

¹³ *Millennium Ecosystem Assessment (2005)*.

¹⁴ Thornton (2006) *Climate Vulnerability and Poverty in Africa*.

of labour, with profound implications for household asset building, although migrants provide remittances, information and new business ideas to their home countries.

The spread of intensive export-oriented farming (e.g. horticulture, floriculture), has fuelled the demand for cheap labour, especially women, who are often paid much less than men. The growing number of female migrant workers is one aspect of the growing flexibility of the labour force, but it is also leading to the impoverishment of many households. Levels of organisation in the agricultural sector are generally very low; with no one to represent their interests, farm labourers have little opportunity to voice their concerns. The wages of temporary and casual workers are even worse than those of permanent staff.

Addressing gender in agriculture and livelihood opportunities

The UN Food and Agriculture Organization (FAO) recognises that women in developing countries make up 63% of the agricultural labour force, compared with 51% globally, yet they are responsible for producing 60–80% of food.¹⁵ Few female farm workers have access to education, information and training in the use of new technologies. Women are rarely represented in agricultural cooperatives or farmers' associations, whether restricted, by law or custom, which limits their access to credit, information and training, and prevents them making their views known to policy makers and planners.

Private agricultural research

After years of decline, investments in agricultural research are likely to increase in the coming years. Calls for another 'green revolution' in Africa are now routine. In this time of optimism, however, there is a risk that the traditional knowledge of farmers and indigenous communities – especially women – of seeds will be lost. Today, the top 10 agribusiness companies (based in Europe, the US or Japan) account for half of all commercial sales of seed and agro-chemicals.¹⁶ The interests of the private sector are increasingly dominating agricultural research.

Summary

New opportunities appear to be opening up for smallholder farmers. The growing demand for specialty products offers access to new markets, but will not benefit all farmers. Meanwhile, the commercialisation of agriculture to meet the growing demand for food, water, timber and biofuels is altering ecosystems more rapidly than ever before. Processes such as the reallocation of land, the shift from food to energy crops and declining biodiversity are threatening the livelihoods of millions of poor people. The complexity of these issues demands engagement at various levels. Changes in policies and practices (international and national), complemented with substantial actions at the local level, can work to change the lives of poor men and women for the better.

¹⁵ FAO (1996) *Sowing the Seeds of Knowledge, Food for All: World Food Summit, Rome*.

¹⁶ ETC (2005).



3 Understanding livelihoods: key concepts

In such a complex context, Oxfam Novib needs to have a livelihood policy that can provide guidance in the tough choices that will have to be made. In the past, Oxfam Novib gave priority to improving agricultural productivity, guided by a dichotomy between 'rural' and the 'urban'. But it is increasingly clear that poor people adopt a variety of strategies in their efforts to improve their lives. This paper therefore signals a shift in emphasis from Oxfam Novib's previous thinking (2001), as highlighted in table 1.

Table 1. Oxfam Novib's thinking on sustainable livelihoods

2001 position paper	This position paper
Saw a dichotomy between urban and rural	Recognises the interlinkages between urban and rural
Emphasised largely on improving agricultural productivity	Recognises the interdependence between production, marketing, etc.
Focused on improving assets	Recognises the importance of improving and protecting assets (e.g. disaster risk reduction) and reducing vulnerability.
Promoted gender mainstreaming	Emphasises female leadership and gender mainstreaming

All policies seeking to create positive changes in the lives of people living in poverty need to recognise the diversity of livelihood strategies. Each locality therefore requires context-specific interventions. This chapter introduces several typologies and concepts that can contribute to our understanding of these strategies.

3.1 Rural worlds

Oxfam Novib funds organisations in some of the world's poorest countries. Poverty is located unevenly across and within the rural populations that these organisations serve. In 2006 the OECD-FAO developed a typology of rural households,¹⁷ which is presented below with some modifications, particularly in relation to Rural World 3.

- *Rural World 1*: Large-scale commercial agricultural households and enterprises with an influential voice in national policies, political affairs and ties to buyer-driven value chains. These enterprises also provide employment for members of the other worlds.
- *Rural World 2*: Traditional agricultural households and enterprises, not internationally competitive but with sizeable landholdings devoted to both commercial and subsistence production. They have few ties to agribusiness

¹⁷ OECD-FAO (2006) *Agricultural Outlook 2006–2015*, pp.10–24.

supply chains, although some are learning from Rural World 1 and becoming more commercial.

- *Rural World 3:*¹⁸ Agricultural households and micro-enterprises, including those with limited assets (land, credit), living in fragile ecosystems, with small units producing food for consumption and for sale on local markets. Members of this group, which include many women and female-headed households, are dependent on off-farm employment for a significant part of their incomes.
- *Rural World 4:* Landless rural households and micro-enterprises, whose labour and community ties are their major assets. Women head many of these households. Sharecropping and migration are livelihood options. Rural World 4 relies on Rural Worlds 1 and 2 for employment and income-generating opportunities.
- *Rural World 5:* Chronically poor rural households, many of which are no longer economically active, and have sold off or have lost their assets during periods of crisis. Increasing numbers of households find themselves in this situation due to HIV/AIDS. Social exclusion and gender inequalities are rife. Safety nets for this group are essential.

The bulk of Oxfam Novib's programme work focuses on Rural Worlds 3, 4 and 5 and, to a lesser extent, on Rural Worlds 1 and 2. Policies designed for Rural World 1 can be beneficial in terms of employment creation and access to markets, but can also be at the expense of the assets of Rural World 3, and may not offer dignified living conditions for Rural World 4. The situation can be made worse if traditional landowners from Rural World 2 adopt modern technologies to improve their productivity, but maintain semi-feudal labour relations that offer few or no benefits for Rural Worlds 3, 4 or 5, and undermine the environment upon which they depend.

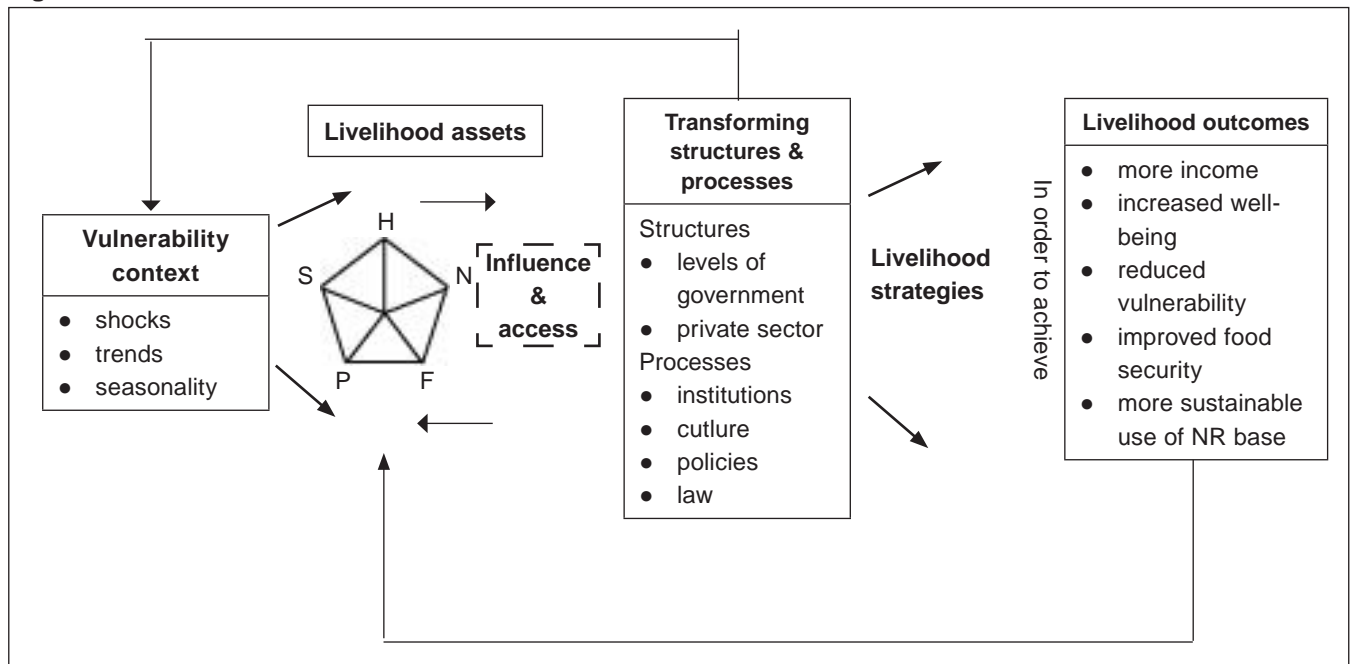
This typology is useful for:

- highlighting different types of poverty and their determinants;
- identifying the different impacts that interventions and strategies can have on different groups; and
- seeing how the diversification of livelihood strategies of one group might impact the livelihood options of other groups.

3.2 The sustainable livelihoods framework

In Oxfam's work on livelihoods, the sustainable livelihoods (SL) framework (see figure 1) provides the basis for understanding the relationship between poor communities and external socio-economic, environmental and institutional forces. The critical units of analysis are household assets (or capital), which include: natural capital (land, water); social capital (health centres, schools); human capital (knowledge, skills); physical capital (infrastructure, inputs); and financial capital (income, loans). Livelihoods are only sustainable when people have secure ownership of, or access to these assets, and are resilient to shocks and disasters. The greater and more varied their asset base, the more sustainable and secure their livelihoods will be.

¹⁸ *Rural World 3 households are described as 'subsistence', i.e. geared to ensuring food security. From Oxfam Novib's experience, we know that many households that produce food both for consumption and for sale have a hard time ensuring food security for their families.*

Figure 1. Sustainable livelihoods framework

Key H: Human capital, S: Social capital, N: Natural capital, P: Physical capital, F: Financial capital

Source DFID, 1999

The SL framework is useful for thinking about the objectives, scope and priorities of development programmes. It stresses the importance of understanding the various livelihood components, including the priorities people identify, the institutions that form the boundaries within which they work, or which may be influenced in order to achieve change, the strategies they adopt in pursuit of their priorities, and the vulnerability context that influences the livelihood outcomes of these strategies.

The SL framework has some drawbacks, in that intra-household power dynamics and gender are not well addressed, and its objective is 'sustainability' and not 'resilience', which is more appropriate for vulnerable groups in some contexts (e.g. conflict areas). Finally, the vulnerability context (shocks, trends, seasonality) is positioned outside the household, while it is central to many livelihood strategies.

3.3 Risk, vulnerability and resilience

The SL framework is useful in a stable situation, which is not the case in many of the settings where Oxfam Novib's counterparts work. In emergency situations, it is obviously difficult to achieve the objective of 'sustainability'. At the same time, however, in complex humanitarian emergency settings, most people rely on their livelihood system for survival and recovery. In these contexts, it is more appropriate to focus on reducing vulnerability by improving resilience.

Vulnerability describes the ability of households or communities to cope with events and the stresses to which they are exposed. Such stresses – a death in the family, a job lost, illness or crop failure – can push poor people into a downward spiral of increasing vulnerability and poverty. They then seek ways to cope with the risks that surround them. The risk faced by a poor individual or household can be represented

in a simple formula: risk = hazard x vulnerability. Reducing risk is a way of building resilience.

Oxfam Novib has been supporting community-based disaster risk reduction programmes as part of its work to achieve Aim 3 – the right to life and security. Disaster risk reduction not only reduces suffering and saves lives, but can also limit economic damage. The impacts of disasters can be minimised by efficient organisation, sound risk analysis and planning, and investment in reducing risk (see box 3). The key is to enable communities to prepare for disasters before they occur, to cope with them once they strike, and to rebuild their lives as soon as possible thereafter.

Box 3. Disaster risk reduction	
The three elements of disaster risk reduction are:	
1	reducing vulnerability by making lives and livelihoods more resilient;
2	addressing hazards/shocks and minimising exposure to hazardous events; and
3	improving ways to identify risk and the likely occurrence of hazards, coupled with monitoring the vulnerability of a population by establishing effective early warning systems (DFID, 2006).

3.4 Addressing power relations

Achieving sustainable rural livelihoods – and ending poverty – requires addressing power relations. Power can be conceptualised in many ways, and inspire debates, but this not always useful for strengthening livelihood programmes. Because of this, it is perhaps useful to highlight the characteristics of power and how this understanding can help in the design of livelihood interventions. Briefly, we can distinguish at least four forms of power:

- 1 Power over: to keep someone weak, vulnerable;
- 2 Power to: capability to decide actions and carry them out;
- 3 Power with: collective power through joint action;
- 4 Power within: personal self-confidence.

Power operates at many levels, ranging from the household, political institutions, national policies to international trade regimes. Power is also relational – those who are relatively powerless in one setting may be more powerful in others. No one is entirely powerless. Yet people living in poverty, especially women, often express their powerlessness *vis-à-vis* their employers, markets or the state, and their inability to get a fair deal. Differences in power between men and women, adults and children, and between the poor and the better-off, affect opportunities and outcomes in countless ways. To make a difference, poor people must be able to make their voices heard and be represented in decision-making forums. This implies changes in power relations, attitudes and behaviour.

Power analysis can help understand the underlying structural factors impeding efforts to reduce poverty, as well as the incentives for achieving sustainable livelihoods. Such an analysis may point to why, for example, women are not allowed to inherit land, and what can be done about such expressions. Thus power analysis, which gravitates towards political analysis, can complement other types of analysis, including of gender, human rights, conflicts, etc.

With respect to gender, there is wide agreement that efforts to alleviate poverty would be more effective if women had more power over resources and their own bodies. Within the family as an institution hidden dimensions of power operate, much to the detriment of women. All institutions are likely to have these hidden dimensions to them, which tend to be gendered. Legal provisions often reinforce their subordinate status. In any intervention, it is important to address these hidden dimensions of power, and to identify the role of institutions in generating and maintaining gender hierarchies.

3.5 Understanding gender

Men and women have different assets, access to resources and opportunities. Women rarely own land, they may have little education, and often have access to productive resources and decision making only through the mediation of men. Women may have fewer benefits and protection under customary or statutory legal systems than men. They lack decision-making authority and control of financial resources. They also suffer under greater workloads, social isolation and the threat of violence. Prevailing gender ideologies give women a narrower range of options compared to men, which limits their opportunities.

Why does this matter for sustainable livelihoods? It matters because analyses and mindsets that ignore gender risk increasing inequality. All interventions need to evaluate how gender norms will affect their success, and vice versa (see box 4). Ideally, interventions to improve the lives of women should seek to build women's assets and societal status in order to transform gender goals.

Box 4. Gender analysis

A gender analysis entails asking questions about the division of roles between men and women in the productive and reproductive spheres. It also considers differences between men and women in terms of access to and control of assets, and their practical and strategic needs. The idea is to take this information up in programmes or projects, trying to make the division of roles more flexible, emphasising the importance of reproductive roles (including those of men) and, especially, promoting the control of women over assets. Strengthening the leadership role of women is key to achieving gender justice. Women need to be more prominent, for example, in decision-making positions in producer organisations, farmers' associations, cooperatives and microfinance institutions.

Oxfam Novib has embraced the concept of gender justice. As an outcome, this implies:

- Equal economic conditions for men and women (formal and informal working hours, pay, labour conditions, control of and access to assets, food security, etc.).
- Equal access to education, healthcare, water and sanitation, and institutional decision-making power with respect to those services.
- Equality of access to assistance and protection in the event of humanitarian crises, and participation and leadership in planning and implementation.
- Equality in civil and political participation, with the goal of achieving transformative leadership at various levels of society, by and for women and men.
- Self-determination of women with regard to their sexuality, reproduction and lives or lifestyles, and a life free from gender-based violence.

Summary

The concepts and typologies described in this chapter highlight the following:

- Livelihood programming requires a deep level of understanding of the context.
- Within one spatial area, different worlds can co-exist.
- The application of the sustainable livelihoods framework draws attention to assets.
- Power and gender analyses draw attention to relations and to the norms and beliefs that sustain them. Who has access to productive assets? What are the norms that underlie such access? What strategies can be used to ensure that poor men and women have access to them?
- In situations of conflict or political instability, it is necessary to ensure that vulnerability is central to our understanding of livelihoods.



4 Strategies for achieving sustainable livelihoods

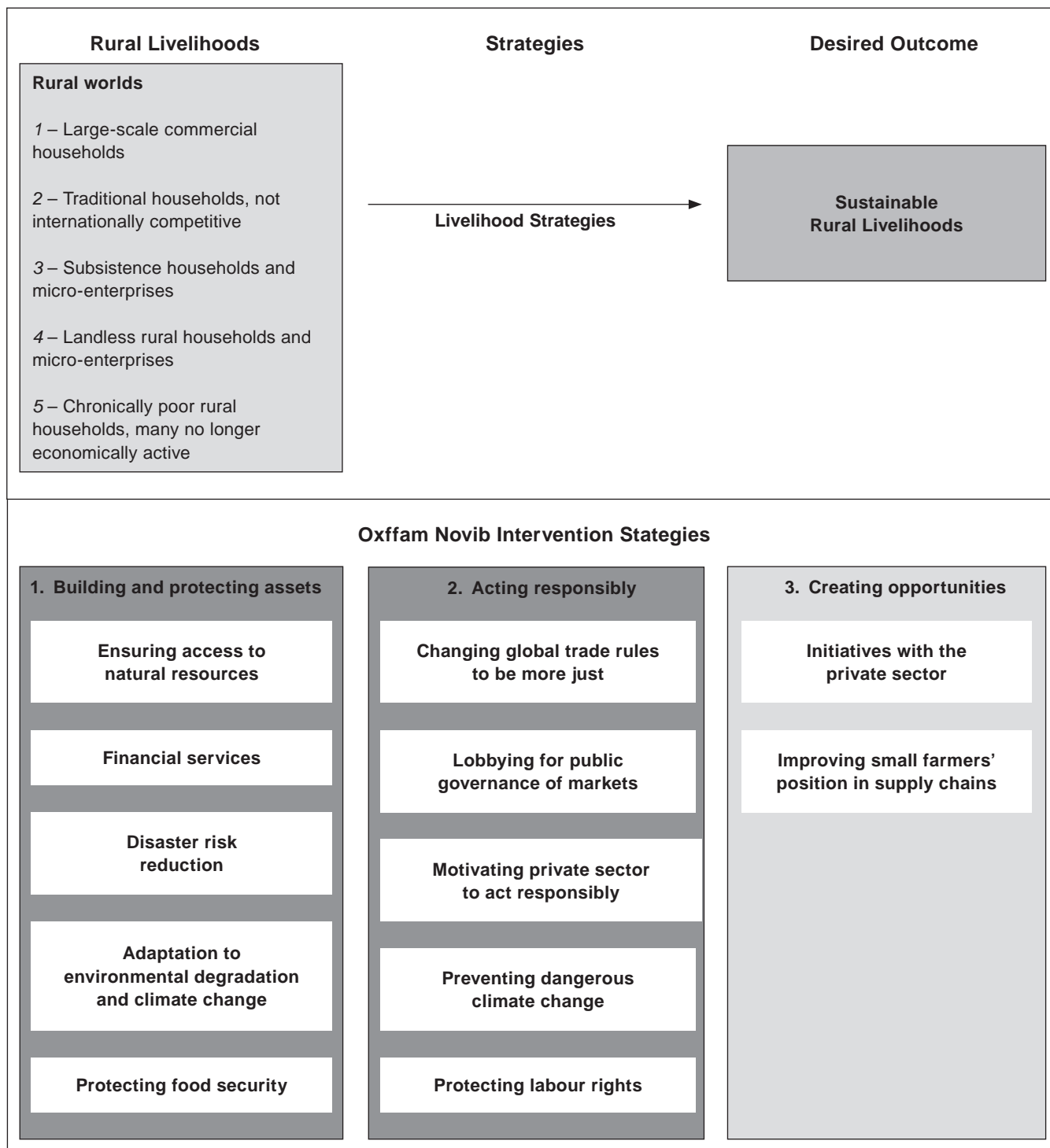
Oxfam Novib will support counterpart organisations to implement three strategies that are essential for achieving sustainable livelihoods:

- building and protecting assets;
- encouraging governments and the private sector to act responsibly; and
- creating opportunities for poor people.

In rights language, these strategies are aligned with the obligations of duty bearers to respect, to protect and to fulfil the right to a sustainable livelihood. Figure 2 provides a visual representation of these strategies.

The following sections specify the kinds of actions that will be supported under each of these strategies.

Figure 2. Oxfam Novib’s three strategies.



4.1 Strategy One: Building and protecting assets

Respecting the right to a sustainable livelihood

This strategy focuses on building the assets of poor people so that they can claim their right to a sustainable livelihood. For those segments of rural populations with more productive assets, actions will focus on improving their position, including enabling farmers to access financial services so that they can benefit from markets. For farm labourers, improving their working conditions is key. Finally, strengthening the ability of men and women to manage environmental risk will not only reduce their vulnerability to climate change, but will also increase their social well-being and set them on a path towards sustainable development.

Ensuring access to natural resources

Access to natural resources such as land, forests and water is critically important in people's daily struggle for food and income security. Women in particular are most affected by deteriorating soils and polluted water sources. Sustainably managed natural resources offer livelihood opportunities for many poor people, and provide a critical coping mechanism especially in light of increasing climate variability (see box 5). The stress on livelihoods due to more frequent droughts will make it necessary to invest in conflict resolution between some groups, such as pastoralists and farmers.

Box 5. Community-based coastal resource management in the Philippines

The situation

Fisheries are important for many developing countries, contributing to food security, employment and export earnings. In the Philippines, there are 2–4 million fishers, who contribute around 5% of GDP. In the 1960s, modern technologies and national policies led to the development of a large-scale extractive fisheries industry that marginalised traditional small-scale fishers and devastated rich coastal ecosystems.

The strategy

In the late 1980s, universities and NGOs in the Philippines proved that local fishing communities had the knowledge and capacity to manage coastal fisheries. Their intervention strategy, called community-based coastal resource management (CBCRM), included both training and advocacy work to persuade the government to devolve some of its management mandates to the communities. The nationwide federation of CBCRM organisations, Kilusang Mangingisda, now has 400,000 members, providing a model that has been adopted in other countries in the region.

The results

Within ten years, the federation succeeded in mobilising many fishing communities, implementing resource management programmes, and in pressing for legal provisions that mandated municipal jurisdiction over their fishing grounds, requiring the participation of fishing communities. Once the fishers regained control of their fishing grounds, productivity and incomes improved, and better management practices halted the decline of coastal ecosystems. The regional CBCRM organisations then joined forces to lobby the WTO to amend international trade rules in order to protect the economic resilience of the sector. They were only partially successful, and the fishers' livelihoods are again threatened by large-scale aquaculture developments.

It is increasingly evident that building up an asset base has to be done in a sustainable manner. Otherwise, we are undermining the health of ecosystems that poor people depend on directly for their livelihoods. Oxfam Novib has considerable

experience in supporting organisations working in agro-ecology, organic and low-input farming. There is substantial evidence that organic farming makes positive contributions to food and income security, as well as ensuring the protection of natural resources.¹⁹

Scaling up the delivery of financial services

Oxfam Novib regards access to financial services (e.g. credit, insurance, savings and remittance transfer services), particularly for those living in rural areas, as an important means of strengthening livelihoods, empowering people and reducing poverty. In many developing countries, improving the availability of financial services involves addressing a number of constraints, including:

- vulnerability constraints, including systemic, market and credit risks;
- operational constraints, due to low investments, low returns, low asset levels and geographical dispersion;
- capacity constraints, including poor infrastructural, technical training and institutional capacity; and
- political and regulatory constraints, including political and social interference and weak regulatory frameworks.²⁰

For these reasons, financial services can never be developed in isolation from markets, technology, information and enabling policies directed at improving small farmer production systems and business development services.

To date, Oxfam Novib has supported various microfinance institutions (MFIs), including financial NGOs, non-banking financial institutions and commercial banks offering products ranging from individual collateral-based loans to village banking. It also supports member-based institutions such as savings and credit cooperatives, credit unions and self-help groups, as well as more informal systems like rotating savings and credit associations.

Based on these experiences, best practices have been developed and have been adopted by most MFIs. As women perform many economic activities, microfinance offers an opportunity to promote their empowerment and more equal gender relations. Because the conditions in rural areas vary considerably, not all models are applicable everywhere, and not all products are useful for everyone. Research is needed to identify how financial services can be adapted to local requirements (see box 6) and to develop innovative products that meet the needs of each group.

Box 6. Making more out of remittances: Costa Rica and Nicaragua

The situation

Many Nicaraguans have migrated to Costa Rica, initially to escape the civil war, but more recently for economic reasons. The 800,000 Nicaraguans now living in Costa Rica send home about US\$100 million each year. These migrants prefer to use alternative channels (friends) rather than official institutions for several reasons, including their lack of documents, lack of trust in formal banks, or because their families live in areas where there are no money transfer agencies.

¹⁹ *The International Conference on Organic Agriculture and Food Security (FAO, 2007) concluded that organic agriculture can meet the challenges of climate change and water scarcity, lead to more diverse food production and generate employment. It recommended that FAO promote organic agriculture as a tool for achieving food security.*

²⁰ *Nagarajan and Meyer (2005) Rural Finance.*

The strategy

Folade, a Costa Rican agency, offers a 'Direct Remittances' service with online connections to 160 microcredit organisations in rural Nicaragua. These organisations now offer financial services to the migrants' families, such as loans, savings accounts or investment plans. Folade also helps the migrants obtain legal documents, and is involved in campaigns against xenophobia. It also hosts a radio programme where migrants offer each other advice.

The results

Direct Remittances has a growing group of faithful clients. Although this group forms less than 1% of Nicaraguans in Costa Rica, the outreach of Folade's work is broader. Many rural families in Nicaragua have been able to start small businesses and to learn how to manage their money. Other money transfer organisations have copied the strategy of Direct Remittances. Folade has participated in discussions about reforming Costa Rican immigration law, and alerts journalists when its clients have suffered injustice, whose reports have appeared in Nicaraguan newspapers.

Oxfam Novib will work to increase the outreach of financial institutions in rural areas, and support them in offering a range of financial services, such as credit, savings, insurance and remittance transfer services. It will also support organisations at various levels that are involved in:

- Encouraging rural clients, especially women, to access financial services, and strengthening their capacity to deal with changing market conditions.
- Improving the financial infrastructure, by supporting MFIs to respond to the demand for financial products at reasonable cost, and to invest in organisations such as farmers' cooperatives that wish to commercialise their operations.
- Building the capacity of financial institutions to deliver products and services in an efficient, sustainable and professional way.
- Creating and fostering an enabling environment, including legal and regulatory systems and effective oversight, in order to guarantee the quality of services and the sustainability of the sector.

Reducing vulnerability and risk

Reducing poverty does not automatically reduce vulnerability. Since it is impossible to eliminate hazards (natural or man-made) completely, it is important to see how multi-level interventions with different aims can work to reduce risk and assist in long-term development. Examples of such simultaneous interventions include:

- hazard reduction/mitigation (physical structures);
- reducing immediate suffering (relief);
- creating safe conditions (preparedness/rehabilitation/mitigation), such as by improving preparedness (contingency planning), strengthening existing livelihoods and reinforcing coping strategies;
- reducing 'pressures' (mitigation/development work); and
- addressing the root causes of vulnerability (advocacy).

With regard to HIV/AIDS,²¹ Oxfam Novib requires counterparts working in high-risk areas to incorporate HIV and AIDS policies both in their own organisation (internal mainstreaming) and in programmes (external mainstreaming). By 2010, all Oxfam Novib partners in Africa and 75% of those in Asia should have an HIV/AIDS workplace policy to reduce the impacts of HIV/AIDS on staff. In high-prevalence countries in

²¹ For details of Oxfam Novib's work on HIV/AIDS, see *Good Donorship in Times of AIDS (2006a)*, *Linking AIDS with Poverty, Gender and Sexuality (2001)*, and *Questions and Answers on HIV/AIDS and OI's 5 Strategic Aims (2004)*.

Africa and Asia, Oxfam Novib's goal is to mainstream HIV/AIDS in all five aims. In low-prevalence countries, the emphasis is on including HIV/AIDS and sexual and reproductive rights in education programmes. It is vital to empower girls and women to increase their ability both to protect themselves and to cope with the effects of the epidemic.

Supporting adaptation strategies to deal with climate change

Oxfam Novib has long supported organisations working on environmental issues, although in the 1990s this support diminished as new issues surfaced. Evaluations of some soil and water management projects found that goals were not achieved or the impacts were short-lived, primarily because counterparts failed to link up their work to broader policy discussions.

On climate change, Oxfam Novib will work with OI to lobby for reductions in greenhouse gases (mitigation), and for rich countries to finance adaptation measures in developing countries. At the programme level, in countries and regions that are particularly vulnerable, the focus will be on developing the capacity of communities to respond to a range of possible impacts (see box 7). Organisations with experience in dealing with floods and droughts will be encouraged to share their knowledge (through the KIC) of effective adaptation strategies, which will be used to lobby for financing.

Box 7. Adapting to climate change: BELA in Bangladesh
<p>The situation Bangladesh is highly vulnerable to storms, cyclones and tidal surges. Every year, the monsoon rains displace millions from their homes and destroy their livelihoods. Such disasters are exacerbated by poverty, high population density and structural inequalities. It is vital that realistic adaptation measures are integrated into a wider agenda for reducing the country's vulnerability to climate change. The most serious impacts of global warming will be on water resources, agriculture and other key sectors.</p> <p>The strategy The Bangladesh Environmental Lawyers' Association (BELA) is documenting coping strategies and (good and bad) practices in relation to natural disasters. BELA studied several districts prone to floods or to drought to assess changes in the water cycle and their impacts on the livelihoods of local people. The strategies were then categorised according to their innovativeness, effectiveness and outcomes. BELA is now compiling guidelines on sustainable good practices, and disseminating them among NGOs in South Asia.</p> <p>The results In the flood-prone areas, innovative practices include planting fuelwood plantations, changing cropping patterns and using flood-tolerant species. A number of bad practices were also identified – raising embankments, building sluice gates and other infrastructure. In the drought-prone areas, good practices include the introduction of fast-growing crop varieties, changing cropping patterns, digging irrigation canals and planting homestead gardens. Bad practices included digging leasing ponds, and using groundwater for irrigation. A review of sectoral policies suggests that all of these issues need to be urgently addressed.</p>

Tackling chronic food insecurity

For poor rural people, particularly those affected by HIV/AIDS and female-headed households, the threat of hunger or malnutrition is all too common. For these people,

actions must be geared to ensuring access to land, finance and healthy ecosystems (e.g. coastal areas, grazing land, etc.) and other assets. Yet such actions will address only one aspect of food security, and that is availability. To improve the food and nutrition security of men, women and children, the issues of access and utilisation must also be addressed. In accessing food, women and girls often face many obstacles (financial and cultural), yet they are almost always responsible for preparing meals. Only by changing gender relations will men become more involved in nutrition, and will women have an equal say in decisions on food.

Oxfam Novib will support organisations that address all three aspects of food security and gender. Counterparts will also be expected to link their work with national and international policies, as these often create the conditions that affect people's asset base and make them vulnerable to the injustice of hunger.²²

4.2 Strategy Two: Encouraging duty bearers to act responsibly

Protecting the right to a sustainable livelihood

This strategy includes work aimed at influencing duty bearers – governments, the private sector and multilateral institutions – to adjust their policies and activities so that they are sustainable, in line with international human rights law, and benefit men and women living in poverty. The current global trade rules do considerable harm to people's livelihoods, yet there is a lot of potential for international trade agreements to benefit poor people. The private sector has a responsibility to deliver more than profits to shareholders.

Campaigning for fairer trade rules

Together with other Oxfams, Oxfam Novib will continue its campaign work to secure alternatives to Economic Partnership Agreements (EPAs) that will be more advantageous or less damaging for African, Caribbean and Pacific countries. It also aims to ensure greater complementarity between its investments in development programmes and campaign work.

Lobbying for better regulation of markets and agriculture

A wide range of measures aimed at improving regulation of markets could serve small farmers.²³ All too often, governments see (foreign) private investments in agriculture and liberalised markets as the only way to improve growth and export earnings. They thus appear to ignore the need to ensure safe working conditions, to avoid the displacement and/or takeovers of national producers, or to promote domestic technologies that will create added value. In the race to attract investments, governments sometimes offer generous incentives – such as low taxes, flexible labour rules, etc. – that often place small local producers at a disadvantage.

Oxfam Novib believes that private (foreign) investments can play a positive role in agricultural development, but only if governments take a number of other steps:

Stop subsidies to large landowners: In many countries, large modernised landowners produce large quantities for national or export markets, and see themselves as the productive force on which the country depends. While they advocate 'free' markets, they are also the first to call for government support when crops fail. Since they are

²² For more details, see Oxfam Novib's food security policy (2007a).

²³ World Bank (2007) WDR 2008: Agriculture for Development.

often well organised politically, they usually receive support ‘to save the country’ (the *Bancada Ruralista* in parliament in Brazil, for example). In this way, over the years, debts amounting to billions of dollars have been cancelled or renegotiated on preferential terms. These hidden subsidies, and the bias towards large farmers, can only be halted by strong organisations of small farmers (see box 8).

Box 8. Achieving pro-poor policy change: the AOPP in Mali

The situation

In Mali, where 75% of the population live in rural areas, farmers have faced many problems, including the lack of land tenure security, lack of access to credit and finance and lack of market control. They also have no insurance or social security to cover them in times of crisis. In 1996, the Association of Professional Farmers’ Organisations (AOPP) was created to provide an official space where farmers could discuss their situation and provide inputs to national policy debates.

The strategy

The AOPP organised a nationwide consultation of farmers to discuss the issues that affected them and to draft a ‘farmers’ memorandum’ that would form the basis of a new bill on agriculture. Women and youth were also invited to participate so that the memorandum would represent all rural people. After a decade of lobbying and advocacy work, the AOPP gained the support of the head of state. The AOPP attributes its success to the fact that the consultations were led by an autonomous organisation, but in cooperation with and supported by the government.

The results

The farmers’ memorandum served as the basis for a new agricultural law, approved in 2006, that incorporates all the issues raised in the consultation. The law provides for the modernisation of the rural sector, giving a clear status to farmers, and addresses gender equity and access to land. Other provisions address access to natural resources, rural finance, disaster insurance, social security for farmers, and the protection of the domestic market. The law provides a firm basis on which Mali’s rural population can build their livelihoods, although work remains to be done on its implementation.

Introduce procurement policies that favour small producers: Many governments have introduced targeted social programmes to provide food to the most vulnerable. In such programmes, small producers can be targeted as preferred suppliers, giving them assured markets with guaranteed prices that can provide an impetus for improving the organisation of production and raising food quality standards. The *Programa Adquisição do Alimentos* in Brazil, and school breakfast programmes in Bolivia, for example, have had many beneficial effects on child nutrition and health.

Help small producers who wish to access new markets: It is illusory to think that the private sector alone can assist farmers to take advantage of global value chains. Governments also have a role to play. Small producers entering new or established markets face many risks, as well as those due to natural disasters. To help them overcome such obstacles and become more competitive, governments need to provide a more favourable regulatory environment, enabling the private sector to offer insurance or credit facilities for farmers, and to help the families of migrants make better use of the remittances they receive to invest in agriculture.

Engaging with the private sector

Oxfam Novib will engage with private companies that have the power and the ability to bring about changes in their value chain, based on the right of the poor to sustainable livelihoods. The changes envisaged include greater efforts to control the damage caused by expanding commercial activities (e.g. preventing land seizures, promoting sustainable environmental management, etc.), as well as ensuring the inclusion of small farmers in the value chain and respecting their labour rights.

This activity will entail:

- influencing the policies and practices of private companies;
- influencing the governments of industrialised countries to recognise the negative impacts of multinational corporations across the globe, and to introduce policies and initiatives to hold them accountable for their actions; and
- promoting the development of standards and regulations that will reduce the social and environmental impacts of business activities, and opportunities for abuse. These may be multilateral or national regulations, as well as codes of conduct that do not undermine formal regulations and promote the idea that 'good companies support good regulations' (see box 9).

Box 9. Corporate social responsibility

Background

Under pressure to reduce carbon emissions and the dependence on fossil fuels, EU member states have committed to increasing the share of biofuels for transport to 5.75% by 2010 and 10% by 2020. Many companies are investing in biomass, and plan to import soy, palm oil, corn and sugarcane from tropical countries. Analysts have pointed out that meeting the EU targets would require large areas of land, threatening local food production and accelerating deforestation. In 2005, Oxfam Novib participated in the Cramer Commission, a Dutch multi-stakeholder group, to develop criteria for assessing the sustainability of biomass production and processing for energy, fuels and chemistry.*

The strategy

The Cramer Commission included all actors in the biofuel production chain – producers, investors, fuel traders and energy suppliers – as well as an environmental NGO and Oxfam Novib, ensuring inputs from civil society. The Commission agreed that avoiding competition with food supplies should be one of its six criteria for assessing the sustainability of biomass production. Similar standards are now in preparation in several countries, and are important factors in the development of an EU policy on biomass.

The results

The Cramer criteria contain a number of breakthroughs, in particular the recognition of the competition between biomass and food crops. A number of test projects are being set up to monitor the criteria, and many businesses have made their commitment to the criteria a major part of their CSR presentations. Politicians are also questioning the feasibility of meeting the 10% biofuels target by 2020 without such strict criteria. No investor can now ignore the social and environmental implications of large-scale biomass production. However, for a more sustainable production of biomass, the volume targets need to be reduced to more realistic levels.

* Cramer Commission (2006) *Criteria for Sustainable Biomass Production*

Preventing climate change

Oxfam will work with its allies to help secure an adequate and equitable outcome of the UN negotiations on a post-Kyoto agreement to cut greenhouse gas emissions. This work will require that the Oxfams engage with a range of international processes and forums such as the G8. A related priority will be to follow through policy, lobbying and media work on a just funding mechanism to support developing countries' adaptation strategies. This will have strong links with the Oxfams' lobbying work on disaster risk reduction under Aim 3 – the right to life and security.

Protecting labour rights

Decent wages and employment conditions will contribute to sustainable rural livelihoods. Most of Oxfam Novib's work on labour rights will be done in the context of OI and will focus on agricultural workers (see box 10) and on trade. Within the work on trade, Oxfam will focus on labour issues in regional trade agreements (RTAs) to ensure they support development objectives. Oxfam will also support national campaigns to monitor RTAs. Global advocacy work will focus on the Roundtable on Sustainable Palm Oil (RSPO), and on labour initiatives aimed at global clothing industry supply chains. The latter will involve empowering female garment workers and ensuring that they enjoy decent employment conditions and trade union rights.

Box 10. The private sector and labour rights: Women on Farms in South Africa and Anamuri/Cedem in Chile

The situation

Women workers are the weakest and most vulnerable link in the fruit and wine production chains. Oxfam Novib has long supported the Women on Farms project in South Africa and Anamuri/Cedem, a Chilean NGO, to fight for the rights of women farm workers. In the course of this work, it became clear that while local action is essential, the conditions on the plantations are very much linked to the purchasing practices of international buyers: supermarkets and traders.

The strategy

As part of the campaign 'Trading Away Our Rights',* OI conducted a study to map the situations in Chile and South Africa, and used the findings in discussions with Tesco, a UK supermarket chain. OI then assisted South African workers to attend two Tesco shareholders' meetings, and the Chilean and South African organisations to exchange experiences. In the Netherlands, following a mapping analysis of the Dutch end of the wine value chain, OI approached the largest retailers to discuss the results.

The results

Tesco agreed to employ the Wine Industry Ethical Trade Association (WIETA), a social auditing organisation, to assess all its suppliers in South Africa. Baarsma, the largest Dutch importer of South African wines, also agreed to buy only from farms audited by WIETA. Baarsma and Oxfam Novib later published a book describing the situation of farm workers in the wine industry in South Africa and Chile,** aimed at Dutch consumers. Baarsma also used its influence to put social responsibility on the wine business agenda in Chile, resulting in a roundtable on responsible wine production that attracted significant media attention. As international awareness of these issues has grown, farm workers in both Chile and South Africa now have greater bargaining power, resulting in better pay and facilities.

* Oxfam International (2004) *Trading Away Our Rights*.

** Bosker (2006) *De nieuwe wijnmakers*.

4.3 Strategy Three: Creating opportunities

Fulfilling the right to a sustainable livelihood

This strategy involves work aimed at securing conditions that will contribute to market opportunities for the poor, promoting their participation in decision making, and ensuring that international arenas can be made pro-poor (e.g. through the Make Trade Fair campaign). Oxfam Novib's work will focus on changing the rules of the (market) game so that the poor are acknowledged, and on creating the conditions for pro-poor growth. In its campaign work, Oxfam Novib will emphasise the need for poor people to be included in market chains, and to be protected against import competition. It will also urge the private sector to purposely look for small suppliers, and to establish criteria and systems of governance that will make it easier for them to become competitive. In other words, the focus will be on creating opportunities for those farmers who have the right assets to benefit from trade.

Brokering and supporting innovative initiatives with the private sector

In recent years Oxfam Novib, together with other Oxfams and counterparts, has brought together various parties to discuss ways to create positive change. One example is Oxfam's campaign and engagement with Starbucks, and its support for Ethiopia to gain control over their coffee brands. Ethiopia can now benefit from intellectual property rights that initially Starbucks did not want to honour. Starbucks wins because they can export high-quality coffee, and Ethiopia wins from the gains it receives from the trademark.

In the coming years, Oxfam Novib will broker and support initiatives such as:

- improving social and environmental conditions in various commodity chains, through multi-stakeholder initiatives such as the Roundtable on Sustainable Palm Oil, the Forest Stewardship Council, the 4Cs, the Better Cotton Initiative, the Ethical Trading Initiative (ETI), the Sustainable Food Lab and UTZ Certified (a global certification programme for responsible coffee production and sourcing);
- establishing standards and procedures for good agricultural practices (GAP) through GlobalGAP (formerly EurepGAP), a voluntary private sector body that sets standards for the certification of agricultural products worldwide. Oxfam Novib will lobby for the inclusion of a 'social chapter' in GlobalGAP standards (see box 11); and
- promoting best practices in areas such as fair trade.

Box 11. Certification and pro-poor trade: GlobalGAP**The situation**

The international trade in food is intensifying, but while agricultural exports from developing countries are increasing, food supply chains are being squeezed by just a few dominant global players. In some countries, the expansion of export sectors (e.g. shrimp aquaculture) has had negative social and environmental impacts on the rural poor, while in others (e.g. coffee) the prices paid to small producers remain low.

The strategy

Oxfam Novib is involved in discussions with the private sector on voluntary self-regulatory mechanisms such as certification schemes. Certification is intended to ensure the quality and safety of food for consumers, but could also be used to safeguard fair farm-gate prices, fair wages for farm workers and fair compensation for negative environmental and social impacts. In these discussions, Oxfam Novib advocates for the inclusion of labour, social and environmental criteria in international agreements. Certification is therefore seen not as a goal, but as a stepping stone to more appropriate public regulation of international food supply chains.

The results

Oxfam Novib is a board member of Roundtable on Sustainable Palm Oil, a multi-stakeholder initiative representing 75% of global production. In coffee, Oxfam Novib is an influential advocate of fair trade and other initiatives covering 70% of the coffee trade. With GlobalGAP, a retailer-based certification system that now covers 35% of all traded food products, Oxfam Novib has successfully pressed for the inclusion of social and environmental criteria in the protocol for shrimp aquaculture.

The dilemmas

Whether these initiatives will benefit the rural poor is still an open question, since they may make it more difficult for small farmers to access markets. But certification schemes have improved, directly or indirectly, many negative aspects of international food production and trade. The palm oil industry, for example, has committed to bringing the first 'sustainable palm oil' to market in 2007. Around 2% of coffee is already certified and some growers are receiving fairer prices. The dialogue on shrimp aquaculture, for which criteria have yet to be decided, has led many farms and processors to improve their operations. Northern retailers now ask questions they did not ask before, and press for better wages, fairer contracts, and the restoration of degraded environments. For all three commodities, certification bodies and NGOs are now working to make certification available to small-scale producers.

Indeed, promoting quality systems certification is a work in progress with significant potential, although some bottlenecks remain. Oxfam Novib, through its co-management of the Biodiversity Fund, will invest in quality systems to ensure that they become more pro-poor and sustainable.

Oxfam Novib, in alliance with other Oxfams and its counterparts, will work with the corporate sector to tackle climate change. From a poverty perspective, the changes in behaviour that really matter are that firms:

- move quickly on a path to mitigate climate change;
- support, rather than block, the ambitious policies needed to reduce carbon emissions, promote investments in low-carbon technologies, and support adaptation;
- develop low-carbon products, services and processes that are affordable, accessible and useful to people living in poverty; and

- support adaptation efforts by ensuring that their operations, products and services improve people's capacity to adapt (e.g. appropriate technologies).

These actions will focus on businesses based in rich countries, which are the biggest polluters and could provide finance and technology, as well as Southern firms, particularly those in the newly industrialising economies.

Improving small farmers' position in supply chains

Farmers with the right assets can benefit from the opportunities offered by increasing globalisation, market integration and the power of supermarkets. They can gain access to markets by improving their position in local, regional and international supply chains (see box 12). Within these chains, small farmers can aim for horizontal integration (increasing their influence on decisions made in the chain) or vertical integration (increasing the range of activities within each chain, creating added value by going into packaging, processing, transport, etc.).

Using a supply chain approach to improve market access requires that farmers have some minimum level of access to assets and services. First, in order to achieve economies of scale and share costs, farmers need to be organised. Oxfam Novib will therefore support NGOs that focus on developing the capacity of producer organisations, farmer associations and cooperatives. Second, farmers need better business skills to enable them to identify market opportunities, to link up with other actors in the chain, and to manage product quality, traceability, etc. Oxfam Novib will therefore support counterparts that offer specialised business services. Third, the availability of (start-up) capital is essential. Beyond these requirements, governments are responsible for creating an environment in which farmers can benefit from market access. This includes providing basic transport and communications infrastructures, and putting in place national laws that guarantee farmers' land rights, legalise cooperatives, etc.

Box 12. Using a product chain approach: IKURU in Mozambique**The situation**

Nampula is a fertile area of Mozambique where farmers grow maize, cashew, peanuts, beans, soy and more traditional crops, but have limited access to markets. The country is still recovering from the civil war that destroyed much of the infrastructure, and halted economic development. Until recently few farmers were organised, and had few entrepreneurial skills, and perceived cooperatives as slow and ineffective. They were therefore dependent on local traders who determined the prices for their produce.

The strategy

In 1995 CLUSA, an American NGO, started to organise farmers into producer organisations cooperating in so-called forums, with the aim of improving motivation, providing business training and organising collective trading. In 2003, IKURU was founded as a farmer-owned trading company, financed through shares issued to Oxfam Novib (45%), GAPI, a local NGO (45%) and the forums (10%). Since then more forums have joined and have become shareholders in the company. IKURU provides strategic product marketing and has found national and international buyers, and in 2005 received Fair Trade certification for its cashews, peanuts and sesame through the British company Twin Trading Ltd. IKURU also provides transport, storage and primary processing facilities. The company is now making a profit and has extended its services to include the provision of seeds and fertiliser.

The results

In 2006 IKURU was serving 10,527 farmers in 283 associations in 21 forums. With greater efficiency and value added, sales have increased, as have the farmers' incomes. Perhaps most important, the farmers now have access to market information and to capital, and have more influence in the production chain. They control their own trading company and are no longer dependent on private traders.

In the coming years, Oxfam Novib will give special attention to:

- enhancing human capital, particularly financial literacy, business skills, knowledge of production methods and organisational capacity;
- improving the availability of financial services for small farmers to enable them to increase their ability to trade; and
- advocating for national and international policies that prioritise smallholder agriculture.

5 Implementation: from concepts to actions

As a strategic donor, campaigner and humanitarian organisation, Oxfam Novib seeks to increase people's ability to improve their livelihoods; to reduce the chances that they slip from sustainable livelihoods into vulnerability; and to increase the ability of men and women to move away from vulnerability towards more sustainable livelihoods.

In practical terms, Oxfam Novib will continue to support organisations through:

- *Direct action to reduce poverty*: activities designed to improve income and food security, such as improving agricultural productivity, access to markets and to credit, and management of natural resources.
- *Advocacy*: activities focused on changing policies and practices that will improve the context for agriculture and rural livelihoods, such as by ensuring secure land rights, grazing rights, etc.
- *Civil society building*: activities aimed at building the capacities of civil society organisations (NGOs, CBOs, producer associations, etc.); forging alliances among civil society actors; and strengthening their advocacy capacity.

Oxfam Novib's work on sustainable livelihoods will also link up with OI's change goals relating to:

- **Economic Justice (EJ)**: The central goal is sustainable rural livelihoods, with the objectives of reducing rural poverty and vulnerability. This work will have three campaign themes – agriculture, climate change and trade – that are consistent with the priority areas identified here. The priorities under EJ will be to have a global and a regional focus as well as to aim for change at national level. Ten countries have been selected to develop national campaigns.
- **Rights in Crisis (RiC)**: Oxfam aims to reduce the vulnerability of communities to disasters by integrating risk reduction strategies into its long-term development work. The objective will be to address the underlying causes of vulnerability from the outset of an emergency response and so inform the design of rehabilitation and development programmes.

The implementation of this policy will involve the following steps:

1. *Strengthening staff capacity through training*: This paper presents new concepts that staff will need to understand in order to assess new proposals and engage in discussions with counterparts. R&D Aim 1 staff should organise knowledge sessions and other related meetings for staff to familiarise themselves with the key concepts presented in this paper.
2. *Integrating these concepts and strategies into strategic programme management plans (SPMs)*: It is important that the concepts presented in this paper form the basis for assessing, updating and revising the SPMs.
3. *Achieving policy coherence*: Two projects are planned to assist in improving analyses of gender and power relations. Their development and findings need to be aligned with this position paper. The first project is a Gender Mainstreaming Trajectory for sustainable livelihoods counterparts, from 2008 to 2010. The rationale for this project is that Oxfam Novib has made it mandatory that by 2010,

70% of beneficiaries of programmes and projects must be women. Reaching this target will be difficult for many organisations. Hence, those counterparts that are willing to participate in this trajectory will implement organisational and programme/project analyses to measure their gender sensitivity. In addition, action plans will be formulated and implemented to improve gender equality elements within these organisations, as well as in their programmes/projects. In this manner, organisations will learn how to implement a gender analysis and will be encouraged to relate more with women's organisations and groups.

In the coming years, Q&C and R&D will work on a second project on power analysis. Given that both power and gender have been defined as important in livelihood analyses, it is essential to ensure collaboration and sharing of information between the relevant project leaders and R&D (livelihoods specialist). The key findings and recommendations from these projects should be used to revise this policy paper.

4. *Launching pilot projects to foster learning about vulnerability, risk reduction and Aim 1 work:* It will be necessary to conduct case studies of efforts to reduce risk and strengthen resilience to cope with a wide range of external stresses (e.g. climate change, conflict), in order to identify lessons that can be used to revise this policy paper. The attention to climate change offers new opportunities to link Aim 1 and Aim 3 work. Support for specific knowledge-sharing and learning activities will be needed to document the changes in livelihoods brought about by increasing climate variability. R&D staff, Oxfam Novib's humanitarian team and some departmental bureaus will need to collaborate. These experiences will need to be documented and shared through the KIC, and used for global advocacy campaigns to increase funding for adaptation.
5. *Mainstreaming innovation:* In its business plan, Oxfam Novib identified family networks and remittances as innovations for its Aim 1 work. Generally, Oxfam Novib's innovations project aims to promote new ideas and approaches that will have a positive impact on poverty. Between 2008 and 2010, a number of projects and studies of remittances, micro-insurance and non-agricultural rural strategies will be undertaken. As these projects will be carried out in conjunction with the projects department, the success of this theme will depend on good internal collaboration and the availability of financial resources. The lessons resulting from these projects will need to be captured and used to strengthen Aim 1 work. The most successful innovations will need to be promoted for scaling up. Finally, on the basis of these projects, Oxfam Novib will be able to identify and develop key strategic areas on which to focus its expertise.
6. *Refocusing microfinance:* Oxfam Novib is in the process of repositioning its role in microfinance, starting with the outsourcing of the financial (portfolio) management to a third party (Triple Jump). This will enable Oxfam Novib to focus on the social impact dimension of microfinance, supporting MFIs that reach geographical areas or target groups that are currently not being served, and developing new products and services such as savings, micro-insurance and remittances. The overall goal is to strengthen the livelihood strategies of rural families, especially in relation to the other issues discussed in this paper. These include ensuring access to natural resources, reducing vulnerability and risk, adapting to environmental degradation and climate change, and improving food security. In the framework of the current business plan, the microfinance strategy will be reviewed to ensure that it reflects this new focus.

7. *Developing assessment tools (monitoring and evaluation):* As mentioned above, evaluations of Oxfam Novib's Aim 1 work have pointed to the need to improve monitoring and evaluation and learning systems. Indeed, these tools are necessary to ensure that we are on track to achieve the goal of sustainable livelihoods. A new project, *Development of Key Indicators per Programme*, will be launched in 2008 to develop a limited set of key indicators that counterparts can use to measure changes in people's lives to which their work contributes in sectors covered by the five programmes (including Aim 1). The project will also involve improving the indicators of changes in people's lives that are currently used in the monitoring protocol (tailor-made monitoring introduced in the current business plan period) and solving the problem of aggregation in reporting on results at the programme level. By the end of the project, for each thematic area selected, counterparts will have defined and tested a limited set of key questions and indicators on the level of changes in people's lives.
8. *Encouraging counterparts to share and learn from each other:* In 2005, Oxfam Novib launched the Knowledge Infrastructure for and between Counterparts (KIC) project, with the overall objective of improving our performance (quality, effectiveness and efficiency) and that of Oxfam counterparts by facilitating the sharing of knowledge. Counterparts are documenting 'good, bad and new practices', and small seed funding has been provided to support learning initiatives. In the coming years, the KIC will be able to provide and facilitate access to information about counterparts and their practices; fund collaborative learning projects managed by OI counterparts; and provide information about these counterparts and other sources of knowledge.

The KIC is a tool that will allow counterpart organisations and Oxfam Novib to assess the validity of their strategies and to make the results available to a wider audience. Again, this should address the concern raised in evaluations that Oxfam Novib needs to foster more systematic learning and innovation, and to communicate the results of its work more effectively. Counterparts should be encouraged to use the KIC portal to keep abreast of new developments, and to connect with other organisations working on similar themes. The documented practices available on the KIC portal should be reviewed and analysed annually and used to review this policy, as well as to identify issues that may affect the achievement of results.



Glossary

Biofuels: Biofuels (or agrofuels) are derived from biomass (plant-based organic matter) that can be burned to release energy. Most, however, need to be transformed to liquid fuels, the most important being bioethanol and biodiesel.

Coping capacity: The means by which people or organisations use available resources and abilities to face adverse consequences that could lead to a disaster. In general, this involves managing resources, both in normal times as well as during crises or adverse conditions. The strengthening of coping capacities usually builds resilience to withstand the effects of natural and human-induced hazards.

Disaster: A serious disruption of the functioning of a community or society causing widespread human, material, economic or environmental losses that exceed the ability of the affected community or society to cope with using its own resources. A disaster is a function of the risk process. It results from the combination of hazards, conditions of vulnerability and insufficient capacity or measures to reduce the potentially negative consequences of risk.

Gender: Refers to the socially constructed identities, roles and expectations associated with males and females.

Resilience: The capacity of a system, community or society potentially exposed to hazards to adapt, by resisting or changing in order to reach and maintain an acceptable level of functioning and structure. Resilience is determined by the degree to which the social system is capable of organising itself to increase its capacity for learning from past disasters, both to improve protection in the future, and to improve risk reduction measures.

Risk: The probability of harmful consequences, or expected losses (deaths, injuries, property, livelihoods, economic activity disrupted or environment damaged) resulting from interactions between natural or human-induced hazards and vulnerable conditions. Conventionally, the equation used to express this is $\text{risk} = \text{hazard} \times \text{vulnerability}$. Some disciplines also include the concept of exposure to refer specifically to the physical aspects of vulnerability. Beyond expressing a possibility of physical harm, it is crucial to recognise that risks are inherent or can be created or exist within social systems. It is important to consider the social contexts in which risks occur, and that people therefore do not necessarily share the same perceptions of risk or its underlying causes.

Sustainable livelihoods: The generally accepted definition is: 'A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, without undermining the natural resource base' (Carney *et al.*, 1999, p.8).

Supply chain: The process of transformation of a product, from raw inputs through primary production, processing and marketing, to the final consumer (Porter, 1990). A supply chain involves three key dimensions: (a) organisational systems for the coordination amongst agents; (b) knowledge systems for combining information, skills and technologies; and (c) economic mechanisms for product and technology selection and for providing market access.

Value chain: The sequence of business activities, which, from the perspective of the end user, adds value to products or services, produced.

Vulnerability: The conditions determined by physical, social, economic and environmental factors or processes, which increase the susceptibility of a community to the impact of hazards.

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