

Avoiding Repetition: Time for CBA to Engage with the Livelihoods Literature?

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1 Introduction

The rapid pace at which the climate change agenda is permeating wide-ranging arenas of established development practice and theory leaves little space and time for reflection on the implications this has for learning across agendas and literatures. 'Adaptation' is a term that is increasingly reserved to refer to processes that build the resilience of households, communities and sectors to changes in the climate. But 'adaptation' always has, and arguably always should, refer to more than just responses to climate change. Reflections here make the case for climate change enthusiasts to engage with a broader agenda concerning how to enable poor and vulnerable people to move out of poverty and vulnerability. We focus on livelihood diversification, as one possible adaptation strategy, and whether diversification as a climate adaptation option looks different to a poverty reduction option.

2 Community-based adaptation

The fourth assessment report of the Intergovernmental Panel on Climate Change (IPCC) finds that climate change is disproportionately affecting poor communities (IPCC 2007). The community-based adaptation to climate change approach (CBA), which has developed considerable currency with civil society organisations, is designed to help the poorest and most vulnerable adapt to climate change (Huq and Reid 2007). It has often been referred to as a bottom-up adaptation approach (e.g. Practical Action 2007), which recognises that the majority of finance for climate change adaptation is currently channelled through national governments, with no assurance that these resources will reach the poorest and most vulnerable people.

CBA is defined as 'action by or for a community to alleviate or respond to the negative impacts of increasing climate dynamics in order to maintain human security and enhance levels of social and economic development. These actions should not augment inputs to global warming and should at all times conserve the ecological sustainability of the community and its ability to reproduce the biocapacity it consumes' (WikiAdapt 2008).

The CBA approach has its conceptual roots in resilience theory (e.g. Holling 2001; Berkes and Folke 2002; Dovers and Handmer 1992), implying that CBA recognises that environmental knowledge, vulnerability and resilience to climate impacts are embedded in societies and cultures. Consequently, the focus of CBA is on empowering communities to take action themselves based on their own decision-making processes shaped by their own knowledge as resilient actors. While CBA projects have only begun to emerge within the last five years, two major international workshops have been held to share experiences, both in Bangladesh in 2005 and 2007, organised by the International Institute for Environment and Development (IIED) and its partners.¹ A third workshop is planned for 2009. At the 2007 workshop, Huq (2007) noted that 'community-based adaptation has moved rapidly to the forefront of the climate change agenda ... and that the workshop should agree to formalize a network to address the "tidal wave" of community-based adaptation'.

However, as Huq and Reid (2007) concede, the theory and practice of CBA is in its infancy and learning must be gained from the vast numbers of pilot studies. This

article forms one small element of what should be a wider critical evaluation of CBA following a first generation of projects. This evaluation process might help to shape a second generation of CBA, inform the next international CBA workshop, and provide evidence for how local, national and international climate change policy decisions can help to scale-up and scale-out this approach.

To date, based on the authors' experience of working in this field, the first generation of CBA projects have not taken a sophisticated view of disaggregating communities into different groupings of poverty and vulnerability and in the majority of cases, have not helped communities tailor adaptation measures to these different groupings. In this regard, CBA often assumes that the same measure will be equally as effective for someone living in chronic poverty compared with the transient poor – two groups with different asset portfolios and livelihood support needs.

CBA commonly assumes that local (or 'within village') livelihood diversification, as a risk-spreading strategy, is the best approach for communities, without considering whether livelihood diversification in the given context might inhibit growth and poverty reduction (IPCC 2001; Eriksen *et al.* 2007). Furthermore, little reflection and analysis is carried out by CBA practitioners and researchers to understand the range of diversification strategies open to individuals and the complex relationship between diversification, context (which is often a mix of local, regional and global), asset status and outcomes. Moreover, a number of commentators on CBA detail livelihood diversification as a way to build adaptive capacity without reflecting that other livelihood transformation options might promote adaptive capacity more effectively, such as intensification or migration (Tyndall Centre 2006; Macchi *et al.* 2008). CBA practitioners and researchers should be learning from and engaging much more closely with development actors and drawing on the well-established livelihoods literature and policy approaches.

Furthermore, CBA has largely been divorced from other development actors and experience in project areas. This can be attributed to the 'adaptation' community (largely emerging from an international climate change regime), working separately from the development community (with limited experience of

considering long-term climatic change). The separation of funding flows and institutions delivering financing also cements this separation, particularly as monitoring and evaluation frameworks on CBA to date have often failed to consider the poverty dimensions (see Hedger *et al.*, this *IDS Bulletin*). A second generation of CBA projects are beginning to develop more sophisticated methodologies and are articulating a greater emphasis on understanding poverty dynamics. For example, SouthSouthNorth Adaptation Project Protocol (SSNAPP) does involve a poverty-mapping phase, which assesses household expenditure and income distribution surveys. However, the monitoring and evaluation framework includes 'how much livelihood options have diversified' as one of the 'common indicators' of success of community-based adaptation (Alam and Mqadi 2006).

The United Nations Development Programme (UNDP) launched a CBA programme in early 2008, financed by 10 per cent of the money given to the Global Environment Facility (GEF) Strategic Priority on Adaptation. The programme 'aims to increase the resilience of ecosystems and communities to the impacts of climate change – generating global environmental benefits, and increasing their resilience in the face of climate change impacts'. As a consequence of GEF financing the project, the monitoring and assessment tools draw on the GEF focal areas of biodiversity and sustainable land management, being composed of a number of quantitative indicators which track biophysical-ecosystem indicators, as well as policy impact, capacity development and awareness-building (UNDP 2008). Neither the vulnerability indicator framework nor the impact assessment system examines the impact of CBA projects on the Millennium Development Goals (MDGs) or levels of poverty, favouring approaches that evaluate the sustainability of a climate-adaptation strategy.

The brief review of CBA above illustrates: (1) the infancy of this approach; (2) the substantial, yet ignored, overlap of CBA with the long-standing literatures and wealth of knowledge on livelihoods, development and rural poverty; and consequently, (3) the overly simplistic approach of CBA to conceptualising and implementing sustainable social and economic development. Our purpose here is to apply the findings and conclusions of the livelihood diversification literature (as one of a range of possible

literatures) to the CBA approach in order to (1) provide an example of how CBA can learn from and extend existing knowledge; and (2) enable CBA approaches to minimise repetition of research and projects where insights concerning outcomes and delivery are already well established.

3 Definitions and framing

While 'adaptation' within the CBA approach confines itself to activities and strategies in relation to climate change, the term 'adaptation' has been used in the livelihoods literature for decades. A livelihood is defined as 'the activities, the assets and the access that jointly determine the living gained by an individual or household' (Ellis 2000). In this literature, adaptation is not restricted to climate change factors alone. There is a rich history of soil and water conservation practices, cooperation and empowerment among farming groups in agriculture (Pretty 1995). In addition, farmers' adaptation to their environment, livelihood diversification and coping strategies to deal with the overall variability of their social and natural environment are well documented (Ellis 1998; Eriksen *et al.* 2006; Eriksen *et al.* 2005; Grist 2005; Scoones and Wolmer 2003). The purpose of adaptation activities within the livelihoods literature is to: 'sustain existing, and open up new, livelihood opportunities and to help forge stronger and more cohesive community-level institutions' (IISD *et al.* 2003: 16).

There is a fundamental difference in the groundings of the livelihoods and climate adaptation literatures. The livelihoods literature has poverty reduction and engagement in the productive economy as its central focus. Fundamental to the livelihoods approach is the asset or resource status of individuals and households. Assets provide capabilities for achieving satisfactory levels of living. Typically, this means that the household is the unit of analysis, whereby the household and its corresponding resource profile is located within the context of the wider 'vulnerability' environment (external influences such as hazards and shocks will cause livelihoods to be compromised and lead to adaptation strategies), the context of social vulnerabilities (such as age, ethnic status, gender that causally impact how livelihoods are constructed and adapted) and within the policy and institutional context.² On the other hand, the adaptation literature finds its *raison d'être* in a concern for 'conserving the ecological sustainability of the community and its ability to reproduce the

biocapacity it consumes' (WikiAdapt 2008). Human security and social and economic development are important insofar as actions do not have negative effects on the environment. The unit of analysis and intervention is the community or the group. Just as with *mitigation* and *coping* strategies in the livelihoods literature, the climate-adaptation literature makes a distinction between anticipatory adaptation and reactive adaptation. Anticipatory adaptation refers to proactively building adaptive capacity to a set of potential climate change impacts before they occur.

While the two agendas are not necessarily in conflict with each other, it is possible to conceive of situations where they might be, such as in an emergency situation where individuals and families degrade natural resources in order to maximise chances of survival, or when priorities deriving from livelihoods mired in poverty are different to priorities dictated by a climate change agenda. The possible conflict fundamentally hinges on the prediction (or perception) of risk, rather than actual risk, related to climate change, vs. the actual risk related to a known 'poverty' outcome. Thus, under a development framework, livelihoods are typically diversified in response to actual risk status whereas in a climate change framework, livelihoods are typically diversified in response to predicted risk status. This point links also to the differential timeframe by which decisions related to the impact of poverty and decisions related to the impact of climate change are made. There is a clear contradiction for chronically poor households who need to weigh up the outcomes of withholding 'consumption' today and death tomorrow with consumption today and life tomorrow. This brings us back to the classic Hardin's dilemma and tragedy. The point for us must therefore be to find synergies between maximising productivity of livelihoods at the same time as maximising the ecological sustainability of the community. This is exactly why the CBA and the livelihoods literatures and practitioners need to work together.

4 Livelihood diversification – what do we know?

Adaptation to change, and in particular climatic change, can in principle take a number of forms – migration, insurance, diversification, intensification. These are not mutually exclusive alternatives; successful livelihoods typically involve combinations of them that occur with different emphases in different phases. However, here we concentrate on livelihood diversification and whether it is likely to prove a

successful strategy as a way of increasing resilience to climate stresses. Rural livelihood diversification is defined as ‘the process by which households construct an increasingly diverse portfolio of activities and assets in order to survive and improve their standard of living’ (Ellis 1998, 2000: 15). What do we know about the relationship between rural household engagement in multiple activities and (1) poverty reduction, (2) income distribution, and (3) environment? In a wide review of the evidence, Ellis (2000), Ellis and Freeman (2004), and Ellis and Allison (2005) unpick these complex relationships and conclude:

- 1 *A substantial proportion of households do engage in multiple activities that rely on diverse income sources.* Estimates show that, on average, roughly 50 per cent of rural household incomes in low-income countries are generated from engagement in non-farming activities and from transfers. Within agriculture itself, the old argument still holds that risk-averse small farmers may prefer more diverse farming systems, even if the less diverse systems offer higher productivity and returns to labour. Some forms of agricultural diversity themselves improve productivity (e.g. intercropping beans with maize). Moreover, over-reliance on a single crop (e.g. maize in Malawi) can lead to even more livelihood insecurity than high diversity systems, due to the higher risks of failure that occur. There is a range of reasons in favour of a positive diversification story whether within agriculture or across agriculture and other sectors: better use of labour across seasons (labour smoothing); avoidance of unstable seasonal fluctuations in consumption (consumption smoothing); inter-crop complementarities in farmers’ fields; skills building across different activities; and asset building due to savings from one branch of activity being used to make investments in another.
- 2 In general, there is a robust correlation between share of total household income derived from non-farm sources and the level of household *per capita* income. If diversification is defined as doing other things in addition to owning and cultivating a farm, then diversification is unambiguously not impoverishing. More than this, it has been shown in many studies that cash income generated off-farm is often reinvested in farming, thus raising yields in agriculture as well, so that there is a virtuous spiral of improvement in livelihoods in both farm and non-farm components.

Diversification assists households to insulate themselves from environmental and economic shocks, trends and seasonality – in effect to be less vulnerable. This is because different activities have different risk profiles.

- 3 *The ability to diversify livelihoods is not wealth neutral:* the poor diversify in less advantageous markets than the better off (in casual, part-time and unskilled work). This is due to the worse asset status of the poor and the barriers to entry resulting from low assets. This relates to the notion of ‘poverty traps’, whereby poor and vulnerable people confront asset thresholds below which it is exceedingly difficult for them to achieve sustainable upward paths of accumulation leading out of poverty. In this sense, virtuous spirals of accumulation involving positive interactions between farm and non-farm components of family livelihoods can be contrasted with spirals of impoverishment in which risks and successive shocks can result in increasing poverty and vulnerability over time (Carter *et al.* 2008; Carter and Barrett 2006).
- 4 Thus, *the outcomes of livelihood diversification are, also, not wealth neutral.* Evidence shows that the beneficial effects of diversification depend upon social attributes of mobility, flexibility, and adaptability, as well as on the ease of engaging in spatially diverse transactions (Ellis and Allison 2005: iv). These attributes are usually constrained by political barriers, financial barriers and physical barriers. Poor people find it much harder to negotiate these barriers than the rich.
- 5 Nevertheless, *simple categorisations around ‘good’ and ‘bad’ diversification due to these differing trajectories are unhelpful and misleading.* It is a substantive mistake for the external observer to prejudge the myriad circumstances and decisions that result in some individuals or families managing to make something out of the options open to them, while others are unable to do so, and this can change within a single family over an individual life history or across the generations. More relevant is ensuring that a floor is placed beneath those in severe difficulty either temporarily or chronically (social protection), while efforts are made to widen options and provide facilitating conditions so that chances improve for those towards the bottom of the income distribution to move forward.

5 CBA – what can be learnt?

What, then, can we conclude from the livelihoods literature about adaptation, and especially adaptation to environmental changes, including climate change?

5.1 Broad diversification is good for improving livelihoods

A critical weakness, apparent in the current CBA literature, of restricting 'diversification' to refer to a local increase in complexity of economic activity is that if the 'local' is prone to adverse climate change effects (covariate shock), then everything suffers at the same time. That is, a village is no less prone to a flood because it is making baskets as well as growing maize. If diversification is promoted as increasing local activity, this could imply an immense quantity of resources wasted in a futile attempt to protect people *in situ*. Under such a narrow interpretation of adaptation there are very few adaptation or protection strategies available and one could imagine that this type of diversification *may* lead to 'entrenched' (subsistence style) poverty; however, there are a lot of exceptions to this rule like crop–crop and crop–livestock complementarities that can raise output and incomes. If 'diversification' is widened to include non-farm activities, then diversification becomes unambiguously positive for improving livelihoods. In this latter case, it is not diversification that causes entrenched poverty, it is the inability to diversify due to lack of any non-farm (and wider) economic options available. Other adaptation strategies, such as migration, may prove better options.

5.2 Adaptation must be largely about options

The more options that there are, and the less dependent such options are on environmental settings that are at high risk of adverse climate change impacts, then the more likely people will be able to adapt to climate change. Livelihoods work shows that the levels and diversity of assets owned or accessed by households are critical to their ability to create or take up options. However, some assets offer more flexibility than others, for example land in a remote rural area can only be used for agriculture, and depending on its quality and the availability of complementary natural assets like water, it may offer lesser or greater prospects for future yield growth; similarly if livestock is the fundamental asset that defines relative poverty and wealth, then this is highly prone to adverse climate shocks in the form of drought. On the other hand, assets such as increased

skills, higher levels of education, increased savings (or access to loans) offer greater possibilities of being able to create or take up a broader range of options, thus signifying an increase in adaptability. Livelihoods analysis emphasises the importance of enabling environments for livelihoods success, and this applies with even more force for the poor than for those able to navigate institutional and official blockages due to their superior financial ability to do so.

5.3 The climate change adaptation question must be one about facilitating contexts

There is little point in expending resources preparing communities for climate change events that may not occur (or may occur after a non-climate change event has destroyed livelihoods anyway). If climate change risks are identified for particular places (increased flooding for instance), then disaster risk reduction (DRR) can provide a way forward. But, in the context of processes occurring with exceedingly large amounts of stochastic variation, then the climate change adaptation question must be one about facilitating contexts, rather than about trying to plan what people will do if events occur with certain probabilities. Similarly, if climate adaptation becomes overly focused on the micro-level, it will risk duplication of efforts already ongoing in DRR and social protection arenas as well as potentially wasting much time and resources in trying to predict the unknowable.

6 Conclusions

This brief think-piece has shown that the well-established livelihoods literature has much to offer the new CBA literature. Livelihood diversification as a way out of poverty depends on the range of available options, the associated risks, how dependable the options are, whether they help to develop new skills, as well as the asset status of the households and individuals involved. Whether diversification as a strategy for poverty reduction is also a viable 'adaptation to climate change approach' will again depend on these factors, as well as the time-consumption preferences of the actors involved. Clearly, these preferences are largely defined by poverty profiles. In other words, we cannot expect chronically poor people to prioritise climate and environment over survival concerns.

'Adaptation' has always referred to more than just responses to climate change. Reflections here make the case for climate change enthusiasts to engage

with a broader agenda concerning how to enable poor and vulnerable people to move out of poverty and vulnerability. Social protection may have an important role here, covering risks in general rather than just climate risks for very poor people. However, also enabling environments that make it easier for people to change their skills, adopt new livelihood patterns (especially inter-generationally), diversify livelihoods and migrate have a role for improving adaptation in general, including adaptation to climate change.

The benefits to adaptation, whether through diversification or through other means, must be conceived of at a much broader scale than the household or community. In so many lower income countries, local level initiatives have little impact

because there is simply not enough going on at a broader level of the whole society and economy to provide any kind of sustained engine of dynamism and change. Hence occasional localised growth (e.g. during high prices for an export crop) is not sustained because there is nothing for it to graft on to. A lot of people are talking about adaptation in a vacuum – in fact adaptability needs much bigger processes of positive change going on in order for people to have something to adapt towards. In the same vein, climate change just provides yet another reason why governments need to provide generally facilitating environments for local enterprise, mobility, skills development, access to credit, for instance, so that people are able to take up new options if they need to do so.

Notes

1 See the report of the 2007 workshop: www.iisd.ca/yimb/sdban/html/yimbvol135num1e.html (accessed 10 July 2008).

2 This could equally apply to individuals, however the household has traditionally been the unit of analysis.

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