

(Revised 30 September 1984)

Employment, Income-Generation or Livelihood?

There is a basic question: to what extent we attempt to help the rural poor through extensions of the core systems of which we are a part; and to what extent we make the mental leap over to see things from where they are, with what they have, and then ask how they can be enabled to gain for themselves more of what they want and need. Of course, it is not really an either-or question. But unless that leap is made and things are seen the other way round, our actions may not be the best and we may miss some big chances.

'Employment' is an urban, industrial, cash-economy word which we have pushed out into rural, agricultural and subsistence situations. As it has not fitted too well, 'income-generation' has been added. But in common usage

'employment' conjures up the idea of a job

'income' implies cash

'generation' implies the creation of something new.

Now I know that the intention is that employment should mean more than a job; and that to economists 'income' includes subsistence flows. But as long as these words are used by people for whom they have strong rich country, urban and industrial associations, they are liable to narrow thinking and ideas of what to do. Moreover, 'income-generation' implies the creation of incomes, when for most of the rural poorest the immediate issue is not the creation of income but its capture.

For most of the rural poor, at least, the word 'livelihood' may fit their circumstances, wants and needs somewhat better.

A livelihood might be defined as a level of wealth and of

stocks and flows of food and cash which provide for physical and social wellbeing and security against impoverishment.

This is much more than just employment. With this definition, one may be less pointed towards looking for a job, or generating cash income from new sources, and more directed towards seeking to assure command over flows of food, over productive assets like land, water and trees, and over common property resources; towards the capture of larger shares of value added, whether in kind or cash; and towards assets which can be buffers against impoverishment by enabling poor people to meet sudden or major needs.

To sharpen the point, a list of characteristics and associations of 'employment' and 'livelihood' may help. These overdraw the contrast, and are cryptic for brevity, but help to show what I am trying to say:

Contrasting Associations, Emphases and Implications

	<u>Employment</u>	<u>Livelihood</u>
Origins of concept	Core Rich-country Urban Industrial Cash economy	Periphery Poor country Rural Agricultural. Kind economy
Activities implied	Single job or occupation (hedgehog) By single individual Year-round	Multiple activities (fox) By family-household Seasonal
Security and benefits gained by and through	Trade unions Improved terms of service Social security and security of employment	Family initiative or small groups Improved productivity Command over buffer. Large families.
Dominant key relationships	With employers and organisations	With natural resources and local markets

(For most items "income-generation" would seem to lie somewhere between the two columns)

An employment and income-generation orientation can, I believe, do a great deal to reduce rural poverty and powerlessness. But in four ways it is liable to overlook needs and opportunities, or to be incompatible with the strategies of poor rural people.

- i. buffers. The importance to poor people of buffers or cushions against contingencies is not covered in common-sense interpretations of 'employment and income-generation'. People need realisable assets to meet contingencies (sickness, accidents, shortages of food, bribes, legal fees, ceremonies, bridewealth, dowry, funerals, theft, damage by fire or flood, and so on). Not enough thought is usually given to enabling poor people to build up stocks of assets which they can dispose of - to meet such needs - in divisible amounts, without a conspicuous distress sale, at a fair price, at any season, and without damaging loss of productive capacity. I believe the importance of buffers has been under-perceived in the core view. Core people have pensions, medical insurance, and some sort of state safety net under them. Peripheral people have none of these. Moreover widespread social change has weakened the social supports of mutual "primitive" sharing which earlier provided more security against contingencies. There is a new need here which has not been properly recognised. It has policy implications. Rights to trees are one major opportunity.
- ii. helping "foxes" help themselves. The strategies of many poor rural people involve multiple activities and enterprises pursued at different times and seasons. Employment

in its full and continuous urban and industrial sense is not compatible with enabling people to build up and strengthen this sort of 'fox' strategy. They often need productive and remunerative activities which fit in with and reinforce what they already do, and these activities will often be seasonal.

- iii. augmenting subsistence flows. This applies with resource-poor farm families, and needs no elaboration.
- iv. income capture. Income-generation is highly desirable. It has the great practical merit of being politically feasible, since there may be no obvious losers. But it is also liable to be rather limited in scale and conservative in side stepping some of the really difficult problems of who gets how much of the existing cake. For many of the rural poor - for example women transplanting rice - the immediate issue is not income-generation but income-capture. Generating new income and enabling poor people to command it is creative and good; but for many of those who are worst off the way forward may lie less with income-generating projects and more with demanding and securing their rights to minimum wages and in gaining their own private control over natural resources.

Let me illustrate the difference between employment-thinking and livelihood-thinking with the example of trees and forest land. An embyment strategy could involve the recruitment of wage labour by a Forest Department. A livelihood strategy could involve the allocation of plots and trees to poor people to provide them with appreciating assets and buffers against contingencies. Trees can usually be cut and sold at most times of the year, thus giving their owners a sense and reality of independence and security. Some trees when cut

will also regenerate through coppicing without the owner having to do anything.

In practice Forest Departments, commercial interests in forestry, and donor agencies are programmed into employment thinking, instead of livelihood thinking, about trees. The result is a failure to see an immense opportunity for enabling the poor to get more of what they want and need, and at the same time restore and maintain the trees that foresters want. Most significantly, the employment strategy appropriates to the state, commercial interests and sometimes corrupt officials and politicians, most of the value added. The livelihood strategy transfers much of that to the poor.

The basic point is that "core" people are conditioned by their environment, concepts and language to think and prescribe in "core" ways. To help the rural poor help themselves, requires a reversal or flip, taking hold of the other end of the stick, and seeing things the other way round. The argument is not semantic; it is about ways of thinking, priorities, and types of intervention. One part of the movement to reverse professional thinking in the ways that are needed is the adoption and use of appropriate words and concepts, in this case, livelihood rather than, or as well as, employment.

Sent to WCED Panel in 1985 (Revised 30 September 1984)

Note for the Ford Foundation Conference on Employment, Dhaka 1984
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There is a basic question: to what extent we attempt to help the rural poor through extensions of the core systems of which we are a part; and to what extent we make the mental leap over to see things from where they are, with what they have, and then ask how they can be enabled to gain for themselves more of what they want and need. Of course, it is not really an either-or question. But unless that leap is made and things are seen the other way round, our actions may not be the best and we may miss some big chances.

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