

PRODUCTIVE EMPLOYMENT AND POVERTY ERADICATION: HOW CAN LIVELIHOODS BE MORE SUSTAINABLE?¹

I. THE CHALLENGE

1. For its 35th Session, the Commission for Social Development has been charged by ECOSOC with addressing **productive employment and sustainable livelihoods** as its priority theme. Specifically, the Commission will consider the centrality of employment in policy making, as well as issues of improved access to infrastructure and productive resources, and work/employment quality. Each topic is given high priority in Chapter 3 of the Social Summit Programme of Action, and each is logically set in a framework of a cross-sectoral enabling environment for poverty eradication. At the center of the Commission's work² is Commitment 3 of the Copenhagen Declaration 'promoting the goal of full employment.....' Yet, as recent analyses of anti-poverty strategies in Africa³ have emphasized, - (and this note reinforces with supporting data) - employment, as currently defined, may provide less compensation than required to sustain a livelihood. Jobs which do not provide enough to live on may constitute employment (especially when a basis of the current international definition is 'work for at least one hour during the reference period'⁴). Yet paradoxically such 'jobs' may also contribute to a cruel double-negative: disappointment at the longer-term punishing consequences of low returns despite success in a competitive job-search, and continued poverty in the face of heightened expectations.

2. Two other relentless paradoxes face the Commission. First, the working lives of those living in poverty too often fall de facto *outside* the domain of labour market policies, even when those policies are front and central in the priorities of government. The predominant focus of mainstream employment policies on wage labour/modern sectors in lower and middle income countries can itself be a marginalizing, exclusionary factor, through irrelevance to much of the actual livelihoods of those living in poverty⁵. The second is that employment growth is premised on economic growth, implying stepped up production and consumption, yet *all* major UN global conferences since UNCED have accentuated the unsustainability of current consumption and production patterns worldwide. Natural resource depletion, and as documented in the new Global Burden of Disease Report⁶, startling changes in morbidity patterns, including the very fast rise of non-communicable diseases (such as malignant neoplasms), show again how essential the environmental dimension (particularly waste absorption) has become in sustaining livelihoods. Disturbing recent evidence⁷ confirms that despite more than half a century of development strategies (and some conspicuous successes), 100 countries have experienced economic decline or stagnation, the world has become more polarized in terms of global income distribution, and 1.3 billion people are counted in mid-decade as income-poor at or below US\$1.00 per day.

3. As repeatedly noted⁸ there is widespread scepticism concerning linkages between economic growth and continued availability of adequately compensated, durable and productive employment. Factors such as global mobility of capital (and increasingly, though more slowly, labour), applications of microelectronic technologies to just-in-time and other aspects of customized, small-run manufacturing processes, and the blurring of boundaries between goods and services⁹ are radically challenging long-held assumptions regarding the nature and conceptualization of work.

4. For those living in poverty, insistence on 'jobs' as a conceptual unit, or even policy goal, may have less meaning or utility than 'livelihood'. Some specialists¹⁰ have even questioned the use of 'employment' as a useful analytical category in places where the 'formally' employed constitute a small minority of the working age population. In the poorest communities in least developed countries, the actual burdens of

poverty usually fall the hardest on women. But also, in the industrialized world, people who have to work at two or three jobs (or even one increasingly demanding job) in order to make ends meet, find reconciling `job' and livelihood, again especially for women, an uneasy and stressful process. The Global Burden of Disease Report notes the overall rise in mental disorders, particularly depression, as a signal factor in projected morbidity changes between 1990 and 2020.

5. Something needs to change in our conceptual as well as our policy approaches to work and jobs. A more integrated framework is needed to complement traditional and sectoral labour market and industrial/occupational frames of the past. More effective recognition is required of the social, environmental and cultural implications of work, productivity, and the myriad ways that individuals manage to build and contribute to the livelihood systems of families, communities and larger societies. Our statistical systems must be adapted to capture more adequately the complexities of modern work and livelihood structures, multiple occupational affiliations, and non-monetarized social capital investments of men and especially of women.

6. The **policy challenge** is to facilitate access to improved livelihood opportunities for all. Employment policies must be more closely associated with poverty eradication strategies, and real, not rhetorical enhancement of livelihood outcomes in ultimately sustainable ways. Such strategies must be participatory, designed in the context of, and tailored to the needs and strengths of local communities, and must directly address the livelihoods of the largest numbers possible of those living in poverty.

7. Solving the problem of equitable access to opportunities is crucial to peaceful transition into the new millennium. The need for immediate and effective solutions moreover is not confined to the least developed countries. These issues are deeply relevant to nations at any point on the `development spectrum'. `Sustainable livelihoods' has emerged as a practical development goal, and a concept which is both human-centered and reflective of the diverse realities facing all of us in a rapidly changing world.

II. SUSTAINABLE LIVELIHOODS: THE CONCEPT

8. Agenda 21 and the Social Summit each stated forcefully, but in different ways, the importance of articulating economic, social and environmental policy dimensions into one decision-making framework. Cohesion across each of the three dimensions is essential, since the livelihood decision-making domain of each person is facilitated/constrained by interacting factors in all three. Yet our governing structures typically separate out the functions and operating modalities of each as though they were clearly divisible entities (e.g. Finance, Labour, Environment). Better `triangulation' of these disparate but mutually supportive aspects of public policy is at the heart of the sustainable livelihoods concept. In particular, major decisions by Ministers of Finance must be adequately informed as to critical environmental and social aspects of such decisions.

9. There is clear evidence over the last decade for steady legitimization of the `livelihood' concept through a succession of intergovernmental fora. Starting with the Brundtland Commission on Environment and Development ¹¹, the idea of sustainable livelihoods was introduced as an approach to maintaining or enhancing resource productivity, securing ownership of and access to resources and income-earning activities, as well as ensuring adequate stocks and flows of food and cash to meet basic needs. In particular, sustainable livelihood security was perceived as a precondition for stable human populations, and a prerequisite for good husbandry and sustainable management. The approach in rural areas particularly, if successful, was seen as potentially reducing migration to cities through improving rural quality of life.

10. Agenda 21 expanded the concept, advocating the achievement of sustainable livelihoods as a broad goal of poverty eradication. For the first time, sustainable livelihoods `for all' was stated as a universal

objective. The strength of this approach, explicitly underscored in Agenda 21, is the potential for successful integration of poverty eradication strategies into mainstream economic development, without ignoring issues of sustainability.

11. The Social Summit and the Beijing Conference further expanded on sustainable livelihoods as an integrating concept, the Copenhagen Declaration again calling for 'secure and sustainable livelihoods for all' in Commitment 3, and the Beijing Platform emphasizing the importance of enhancing the livelihood strategies of women. The operational goal of the Desertification Convention has now been articulated in the context of promoting sustainable livelihoods in arid, and semi-arid areas. UNIFEM is also using 'sustainable livelihoods' as the broad objective of its work in empowering poor women.

12. Two broad principles are at the core of the sustainable livelihoods approach. First and foremost is its integrative power. As stated in Agenda 21, the concept can serve as 'an integrating factor that allows policies to address issues of development, sustainable resource management and poverty eradication simultaneously'¹². Second is its emphasis not just on jobs, but on the complexity of livelihood systems which need to be both understood and addressed in the context of families, local households and communities. The policy objective must be therefore, as reiterated at the Social Summit, 'identifying the livelihood systems, survival strategies and self-help organizations of people living in poverty, and working with such organizations to develop programmes for combatting poverty that build on their efforts, ensuring the full participation of the people concerned...'¹³ The work of Chambers¹⁴, Davies¹⁵ and others at the Institute of Development Studies at University of Sussex, as well as Singh¹⁶ and his colleagues at the International Institute for Sustainable Development in Winnipeg, Canada have continued to buttress these concepts with studies rich in participatory methodologies in the field in Africa and Asia. The new Social Watch¹⁷ steady, principled insistence on monitoring Social Summit commitments, especially in ensuring participatory involvement, is an additional incentive for the development community to produce more effective, and measurable progress in these areas.

13. Making these ideas operational is an important part of the challenge identified in Section I above. As part of its contribution to the work of the ILO-led InterAgency Task Force, UNDP prepared a Note¹⁸ on the relationship between employment and sustainable livelihoods. The Note's recommendations were accepted by the Task Force, and incorporated into the Framework for the seven Country Reviews which have served as the main modality for the IATF's work.

14. 'Sustainable livelihoods' is suggested in the Note as an integrative construct which can bring together all economic activities now defined under current definitions of employment as well as introduce the social dimensions of sustainability and equity. If well developed to reflect adequately the country-specific heterogeneity of livelihood types and aspirations, it is suggested that the concept can bring a new synthesis to the ecological and economic sides of human activity, while addressing also the central principle of equity. A definition is submitted as follows:

What is proposed is an inclusive, rather than exclusive concept of 'sustainable livelihood' that is potentially applicable to any form of making a living which can be pursued independently, i) without compromising personal security, ii) is reasonably stable across significant periods of time (without of course any guarantees), iii) is mutually beneficial to individuals and their immediate social groupings, as well as to the consumers of their products/services, and iv) does not compromise the physical environment.

It is carefully argued in the Note that sustainable livelihoods as a concept be explored further as **an extension** of the current labour market frameworks, and not as a **replacement**, nor as a competing idea with existing employment definitions and measurement techniques. New insights yielded through a focus predominantly on sustainable livelihoods as an organizing concept should illuminate current perspectives

on labour market theories as they interface with anti-poverty strategies, and their utility for applications in practice in the poorest communities. In particular, as the IATF Country Review Framework states: because of the complexity of sustainable livelihoods systems, 'additional information and background [may be required] not commonly used by policy makers'.

15. These principles seek to embody ways of making a living that are fulfilling, independent, non exploitative, and healthy, and that foster mutually beneficial relationships among people, and between people and their environments of all kinds. However, in spite of its advantages, the sustainable livelihoods concept labours under some important disadvantages also. It is a broadly normative concept, yet remains difficult to operationally define outside specific, subjective and situational contexts. Results from consultations in participatory processes differ therefore from location to location within each national setting, making clear signals for national policy changes harder to interpret. The search for consensus in communities as to key components of livelihood sustainability is time (and resource) consuming, since the purpose of the approach is not to impose perceptions or solutions from outside. In spite of these limitations however, it is now possible to point to some hands-on experience.

III. THE CONCEPT APPLIED

16. Incorporation of the sustainable livelihoods concept into the Framework for the InterAgency Task Force Country Reviews was one step in operationalizing these ideas in the work of the UN system. Ongoing country programming for anti-poverty strategies is another. Both have led in the direction of broadening the scope of earlier approaches to embrace better understanding of the problems most crucial to the livelihood systems of those living in poverty, in search of more participatory, community-based solutions within the framework of national policy.

17. The IATF Framework identifies some of the key policy aspects of sustainable livelihoods such as accessibility and relevance of education/training systems especially for the poorest communities; focus on households as socioeconomic/ecological units; and the need to acknowledge and address the complexity of livelihood-sustaining activities in poor families. The extent to which each of the seven 'review' countries approached the concept varied of course with each country. The Zambia review however provides a useful example.

18. The analysis of Zambia's employment and livelihoods review, conducted by a national team, with multi-UN agency technical and financial support, distinguishes between 'jobs for wages' and 'livelihoods', defined as 'all form of activities/entitlements that ensure survival and enhance living conditions'. Furthermore 'sustainable livelihoods' are defined in terms of making a living so as to 'survive shocks and keep options open'. In particular, the relationship with employment is explained as follows: 'it is clear that there is no automatic correlation between employment and sustainable livelihoods, since 1) remuneration for the job may not be adequate...[e.g.] pay below the poverty line; 2) the employment may not be durable, because it is only transitional e.g. work under a ...safety net programme, or because it is heavily dependent on outside assistance e.g. from NGOs or donors; and 3) the employment may not be based on environmentally sound technologies but be destroying resource bases for the future e.g. charcoal burning activities. Furthermore some sustainable livelihood activities are unpaid e.g. work within the family, in a micro enterprise in the informal sector. Hence ...employment is a subset of 'sustainable livelihoods' and not vice versa.'

19. The importance of considering livelihood strategies as complementary to employment promotion schemes is startlingly reinforced by data on the erosion of real earnings in the modern sector in Zambia. The real basic wage (set for comparison purposes at 100% in 1983) had declined to less than 38% by 1991. In 1994, half of the workers surveyed in a sample of almost 1000 manufacturing employees earned

less than US\$51.00 per month, and the modal earnings of the sample were \$38.00 or less. Yet *average monthly* household expenditures in January 1994 in the 10 largest cities was about US\$150.00.

20. The report concludes that the concept of livelihood security is more pertinent than 'job security' in the Zambian situation. Attention is drawn especially to jobs that currently exist, and are occupied by jobholders (who are thus 'employed'), but that are inadequately compensated, lack durability, and are incompatible with effective natural resource management and conservation.

21. Additional conclusions from the review emphasize that although the subject of employment policy is a national priority in Zambia, and has been revisited many times, new quantitative as well as qualitative dimensions are provided by the sustainable livelihoods concept. Recommendations include higher profile for sustainable human development policies, increased priority to social sector ministries, greater attention to patterns (not just rates) of growth, improved access (especially of girls) to basic education opportunities, and reassessment of existing social safety nets, all from the fresh perspective of sustainable livelihoods. More research is suggested on the informal sector, access to credit should be generally increased, and better organization is proposed of services to and for the informal sector.

22. The report notes that strategies to improve livelihoods in Zambia may take many forms. 'Coping' behaviours may improve livelihoods over the short term, but have no potential for sustainability (e.g. charcoal burning, which is actually an impediment to future development). Other activities may be more adaptive, such as shifting crop production to sorghum (which is drought-resistant) and away from maize which is drought-prone and requires expensive farm inputs.

23. Among the advantages of focusing on existing livelihood patterns in the context of individual households/communities, as noted in the Zambia report, are the sense of ownership in, and bottom-up contributions to national employment/livelihoods policy. Structural support mechanisms however are weak, informal sector infrastructures (e.g. credit) very scattered and sparse, and there are few if any organizations which can represent formally the interests of the informal sector micro enterprises, despite the fact that they offer the majority of economic activity opportunities for those living in poverty.

24. In addition to the Zambia case, several other UNDP programme countries are starting to embrace the concept. Country programming missions have been completed so far to Zimbabwe, Botswana, South Africa, Malawi, Vietnam, Jamaica, and Swaziland. Further possible sites under discussion are Laos, Eritrea, Madagascar and Kazakstan. As expected, approaches vary between countries. A sustainable livelihoods framework is useful to Malawi for example, to bring together subprogrammes on food security, employment generation, entrepreneurial development and environment. This has necessitated examining each subprogramme from the perspective of a sustainable livelihoods approach. In food security, the focus will shift in national agricultural production more towards household food security, which includes emphasis on non-farm activities and other income generating activities in addition to food production, accessibility and availability. At the upstream level, policy analysis shifts from a predominantly agricultural policy focus more towards cross-sectoral issues such as poverty reduction, and sustainability. Programmes in Namibia are promoting growth in formal sector jobs, but are also seeking to expand informal sector opportunities in smallholder agriculture and micro enterprises. In rural areas, this is seen as requiring greater diversification in agricultural production, increased access to productive land and markets for produce, and reassessment of pricing policies. In Vietnam, the emphasis has been more on analysis of local adaptive strategies in poverty eradication. In India, the 'biovillages' approach in Pondicherry has provided opportunities for skilled jobs, particularly for women. The biovillage concept brings together recent advances in biotechnology with traditional ingenuity and cultural practices, with the purpose of enhancing livelihood security of rural people. The strength of the approach is its multi dimensionality. The ecological security of the farm and the economic well-being of the farm family are considered, and acted on, together.

25. Access to assets, such as credit, for those living in poverty can be a major encouragement to entrepreneurial initiative and employment growth. Through the recently launched global UNDP micro finance programme, MicroStart, an effort is being made at establishing and/or strengthening micro finance organizations in several countries. These micro finance organizations will provide financial resources to micro entrepreneurs in order to start or strengthen basic business activities. The purpose of these initiatives is to support self-employment, income-generation, and to increase self-reliance. In its pilot phase, the MicroStart programme is intended to reach over 100,000 clients in 25 countries.

26. Linked to this effort are initiatives to support micro enterprise development, and deeper involvement of established private sector institutions. Thus, in encouraging entrepreneurial initiative in micro enterprises, the expansion is promoted of these enterprises into larger operations, with the possibilities to employ more people. By adopting an integrated approach to the support of this small and medium enterprise (SME) sector, UNDP supports SMEs in a variety of levels through basic business training, advisory services, strengthening linkages between small and large enterprises, enhanced credit access, advocacy of policy solutions to common problems. Corresponding efforts are made in a number of countries to engage with private sector corporations and organizations to establish mutually beneficial partnerships. Benefits from such partnerships include provision of private sector human, physical and technical resources as well as direct financial contributions. Such partnerships promote local entrepreneurship. It is in the interest of most larger private sector companies to operate, in an environment where small businesses flourish, through for example joint-venturing, out-sourcing and franchising, but also through direct assistance to training. Cooperation with private sector companies and organizations also provide important opportunities for addressing key issues of sustainable human development, the environment, social policy issues and long term social capital investments by collective action in both public and private sectors.

IV. PARTNERSHIPS AND ACTION FOR THE FUTURE

27. The foregoing has offered a rationale, and some supporting evidence at the country level, for complementing employment policies with greater attention to the sustainability of livelihood systems, especially for those living in the poorest communities. UNDP is clearly committed to assisting countries with further operationalizing sustainable livelihoods policies, and is developing broad resource networks, as well as an international working group, for this purpose. Carrying these ideas forward will necessitate **five** interlocking future actions by the UN system, and its partners in development activities: i) continued upstream policy assessment and advocacy for sustainable livelihoods approaches at national and international levels; ii) downstream, participatory and responsive programme action (including national and regional research) at country, municipal and community levels; iii) close examination of cross-sectoral implications of livelihood approaches for other aspects of human resources development, especially education systems; iv) continued refinement of the sustainable livelihoods concept (particularly indicators of enhanced livelihood sustainability) to inform and support operations and policy formulation; and v) resource mobilization and continued partnering with other actors/agencies in both public and private sectors to buttress and operationalize programmatic and policy interventions at country level.

28. Above all, the present too-wide gap must be addressed between standard macro-economic prescriptions for increased (mostly modern sector) growth, and the daily, often worsening livelihood constraints facing those living in poverty. The safety net concept as a parsimonious, targeted, narrow recourse for the few is not enough, and moreover there is an inverse relationship between its usefulness and the number of people needing it in any given national case. There cannot be exogenous development templates imposed on countries. No one approach to sustainable livelihoods is possible, but as many, and as diverse as it takes, to enhance livelihood systems in each case.

29. In conclusion, this note argues for much closer examination of the normative concept of sustainable livelihoods in employment policy, and the value-added of the concept in anti-poverty strategies. Incorporation by the InterAgency Task Force of sustainable livelihoods issues into the Country Review Framework has accomplished several useful ends, including formative InterAgency dialogue during the process, and further exposure of these ideas at country level. Explicit linking of employment policies with mainstream consideration of the livelihoods concept has moreover provided some practical guidance, particularly in the African case for future interagency cooperative effort. The platform for cooperation so successfully constructed by the ILO-led Task Force provides an excellent start for the UN system globally, and a good working model for similar cooperative approaches at regional/national levels. The **summary report** to the ACC of all seven country reviews thus presents an important opportunity to build further on these experiences.

1. This background note was prepared, as part of UNDP's contribution to the 35th Session of the Commission for Social Development, by John Lawrence and Naresh Singh with helpful comments and inputs by others in UNDP's Bureau for Policy and Programme Support and the Regional Bureaux.
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