



# Systematic approaches to livelihoods enhancement and diversification:

A Review of Global Experiences

Jock Campbell







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IMM Ltd.

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in collaboration with

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## Preface

The people who depend on the world's marine resources for their livelihoods are under increasing pressure from changes in, and the declining availability of, ecosystem services, conflicts over access rights, marginalisation from resource access, criminalisation of their livelihoods, and exclusion. The poorest of these people are often the least able to respond to these changes, and many are becoming isolated from the activities that have been part of their livelihoods and culture for generations.

Although these people bear some of the blame for the changes affecting coastal resources, they are only part of the problem. Yet in many cases they are being asked to carry a disproportionate share of the responsibility for the consequences of often external forces that have kept them in poverty, degraded their environment, introduced inappropriate technology, introduced market pressures, excluded them from policy making, changed access rights and invested, often inappropriately, in coastal development.

Many coastal people recognise their dependence on the marine resource base and value its sustainable and managed use for the future. Generally speaking, however, they lack the resources, knowledge and power to ensure that resources are effectively managed in the face of rapid external change.

Outside agencies all too often see the solution to problems in coastal resource use as imposing resource management measures, increasingly with some kind of social element. These have had some success when measured against environmental criteria, but in many cases they have left the poor poorer and the marginalised further isolated from the development process.

Amongst development agencies working in coastal communities, there is a growing recognition of the need to integrate livelihood change processes and resource management measures. They now appreciate that such integration must be more than simply appending social development to resource management initiatives. Decision making must go beyond extractive consultation with community elites – it must recognise the diversity of stakeholders and allow for their meaningful participation. Planning for the future should include the potential, needs and aspirations of different groups. It must recognise the complexity of people's livelihoods, seeking to understand and incorporate their relationships with marine resources into management strategies. If environmental objectives are to be achieved equitably and sustainably, then consideration of resource-dependent livelihoods needs to lead rather than follow that process.

However, responding to this need for livelihood change is often time-consuming and difficult, requiring a multi-disciplinary approach, cooperation among multiple agencies, the active engagement of communities and a transfer of power. But without this, any success in resource management is likely to be short-lived.

Developing ways of successfully integrating social and environmental considerations in coastal resource management and associated livelihood change lies at the heart of the Coral Reefs and Livelihoods Initiative. CORALI aims to develop and test a systematic approach to Sustainable Livelihood Enhancement and Diversification (SLED) that builds on past experience and lessons from around the world.

This **Global Overview** aims to bring together some of this global experience and provide guidance on how SLED might be further developed and used. It does not claim to be exhaustive, but rather an attempt to outline the subject and bring together key strands of understanding and learning.

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The EU-funded project *Institutional Strengthening and Capacity Development for the Long-term Management and Conservation of MCPA's encompassing Coral Reefs in South Asia*, implemented by UNEP and executed by ICRAN; and *Management of Climate Change Impacts on Coral Reefs and Coastal Ecosystems in Tsunami-affected Areas of the Andaman Sea and South Asia*, funded by the Ministry for Foreign Affairs of Finland and implemented by IUCN.

These two projects worked together closely to increase their effectiveness, harmonise their findings and maximise the uptake of project outputs. The collaboration worked well and enabled the projects to go beyond their original briefs.

IMM would like to thank all those who made this collaboration possible and effective.



## Acronyms and Abbreviations

ACOA	Atlantic Canada Opportunities Agency
AI	Appreciative Inquiry
ARCEIT	Arab Regional Centre for Entrepreneurship and Investment Training
BC	British Columbia
CORALI	Coral Reef and Livelihoods Initiative
CORDIO	Coastal Ocean Research and Development in the Indian Ocean
CTA	Centre for Agricultural and Rural Cooperation
EU	European Union
FSPI	Foundation of the Peoples of the South Pacific International
HRDC	Human Resources Development Canada
ICARDA	International Center for Agricultural Research in the Dry Areas
ICRAN	International Coral Reef Action Network
IUCN	International Union for Conservation of Nature
MCPA	Marine and Coastal Protected Area
MPA	Marine Protected Area
NGO	Non-Governmental Organisation
NI	Northern Ireland
OTOP	One Tambon One Product
PFAR	Pacific Fisheries Adjustment and Restructuring
PRA	Participatory Rural Appraisal
RALF	Research in Alternative Livelihoods Fund
SACEP	South Asia Cooperative Environment Programme
SLA	Sustainable Livelihoods Approach
SLED	Sustainable Livelihood Enhancement and Diversification
TSSLP	Tonle Sap Sustainable Livelihoods Project
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organisation
VAT	Value Added Tax



## 1. Introduction

This document was produced as part of the Coral Reefs and Livelihoods Initiative (CORALI), a collaborative process established under two regional coral reef projects:

1. The United Nations Environment Programme (UNEP) project *Institutional Strengthening and Capacity Development for the Long-term Management and Conservation of MCPAs encompassing Coral Reefs in South Asia*, funded by the EU and coordinated by the South Asia Cooperative Environment Programme (SACEP), together with the International Coral Reef Action Network (ICRAN) and IMM Ltd.
2. The IUCN project *Management of Climate Change Impacts on Coral Reefs and Coastal Ecosystems in Tsunami-affected Areas of the Andaman Sea and South Asia*, funded by the Ministry for Foreign Affairs of Finland in support of the Coral Reef Degradation in the Indian Ocean (CORDIO) programme in 2006–07.

CORALI seeks to build knowledge and understanding of the intrinsic linkages between people and coral reefs, and to encourage the improved integration and support for livelihood development within coral reef management.

Key to the CORALI process has been further development and piloting of the SLED approach. SLED (Sustainable Livelihood Enhancement and Diversification) is a systematic approach to improving and diversifying the livelihoods of people facing major external change. It responds to the recognition that coastal livelihoods in many parts of the world are undergoing rapid and far-reaching change (IMM 2003a, UNDP 2006). The causes of this change include coastal population pressure, coastal industrialisation, tourism, urbanisation, pollution, resource over-exploitation, technological changes, market pressures, changes in resource access rights and the effects of climate change. The relationship between these causes is complex, with change in one often affecting changes in the others.

The effects of this change are also highly variable, with different stakeholders being affected in different ways. For example, research by IMM (2003b) on the effects of change in India's fisheries post-harvest subsector showed how changing access to fish resources can affect vessel owners, crews, fish processors, traders and consumers in different ways. Most marked were the differing impact of change on men and women, with women often being worst affected, and the vulnerability of the poor to change.

In part, these variations can be attributed to the relationship between resource users and the resource. Whittingham *et al.* (2003) looked at the complexity of relationships between resource users and one specific aquatic environment, the coral reef, identifying many forms of dependency only vaguely recognised before. Some people depended almost entirely on marine resources for income, employment and food. Some used marine resources in a diversified portfolio of livelihood options which they switched between regularly. Others depend on marine resources seasonally or at certain critical times. Some use marine resources intermittently as a safety net when other livelihood opportunities were denied to them. Some also migrate in and out of coastal areas in response to changing opportunities (Luttrell *et al.* 2004, IMM *et al.* 2005). People also interact with marine resources in complex ways, not just for the obvious purpose of food and income, but also for protection from the sea, for land-based building materials, for medicinal purposes, for spiritual relationships, as a means of social bonding, and as a sense of identity (Whittingham, Campbell and Townsley 2003).

When viewed at the household level, marine resources are often just one element of a diversified livelihood portfolio which balances emerging opportunities, available assets and perceived risks. This tendency for households to diversify naturally has been studied in some depth in Cambodia to identify the factors supporting or inhibiting livelihood change (IMM *et al.* 2005). Besides underscoring the complexity of change in communities, this work identified many "push" and "pull" factors influencing people's livelihood decisions at different stages in their lives and in different circumstances.

One of the main processes of change affecting coastal communities is the introduction of resource management measures aimed at protection and sustainable use. These can have a positive effect, in that they offer the potential to conserve marine resources and provide opportunities for the future. Less positive is their potential for affecting the access rights of resource users. In extreme cases such measures can criminalise the livelihoods of the poor (Campbell *et al.* 2006). In other cases they may reduce access to natural resources, increase competition and conflict, and cause a decline in income that may lead to poverty and the inability to service debts.

The management measures of the two projects coordinating CORALI focus on linking Marine Protected Areas (MPAs) more closely and effectively with people's livelihoods. MPAs can lead to major changes in the livelihoods of resource-dependent people and the groups who interact with them. The current phase of SLED development under CORALI is linked to MPAs.

Although recognition is growing of adverse livelihood impacts of marine management measures, the understanding of the resulting problems is less well developed than the thinking behind the management process itself. Often the perceived solution to such problems is the development of "alternative livelihoods", and funds are now being routinely added to the end of marine management projects to create such alternatives. Frequently these are seen more as a way of achieving conservation than reducing poverty (O'Garra 2007). They are also often timed to occur after the resource management measure has been put in place, thus forcing the affected communities to address two issues simultaneously: 1) the loss of opportunity from existing problems (over-exploitation, habitat degradation, and so on); and 2) the loss of opportunity from the imposition of the management measure itself. This often severely constrains livelihood opportunities, giving rise to conflict and intensifying efforts to circumvent the measure and engage in illegal activities.

When alternatives are introduced, they are often chosen from a standard menu of options with little consideration of the capacities, aspirations, needs or historical development of the communities concerned (Campbell *et al.* 2006). The success of such approaches has been very mixed (Perea 2002). Rarely considered or understood are their implications for the wider development of the communities in which they are used, for sustainable resource use, and for the balance of access to benefits by women, the poor and other marginalised groups.

The aim during the development of SLED has been to develop a systematic approach to tackling livelihood change that: a) reflects an understanding of the past and present changes affecting aquatic-resource-dependent people; b) promotes and supports their vision for the future; c) helps them make the best use of the opportunities available by developing their capacities.

Fishing boat, Thailand (© J Tamelander/IUCN).



Part of the process of developing this approach has been to review key examples of livelihood change approaches from other contexts to identify any common elements of success that could inform and influence SLED. This report presents the findings from that review.

The report starts by describing the methods used in the review, then outlining a series of examples from around the world where attempts have been made to diversify some aspect of people's livelihoods. From these examples lessons are drawn and used to inform a path towards developing a systematic approach to supporting livelihood change. Some intervention guidelines are also identified from these lessons.

## 2. Methods

There are many situations in which livelihoods have to change. The circumstances of such change are diverse and often seemingly unconnected. In many cases, however, the people who manage or facilitate the change have developed ways of fostering and supporting it. Although these have been developed under different circumstances, most broadly try achieve the same thing. They are helping to understand livelihood change needs, define potential change options and facilitate the change process. Some of these approaches provide suggestions and lessons that can be applied to the development of a systematic approach to livelihood change capable of enhancing the livelihoods of people who depend on coastal resources.

This review of global experience does not claim to cover all available examples or address every approach used. Rather it aims to scope the subject by drawing on examples from different fields. It used a purposive sampling approach to select examples that have shown success in different fields of operation. The process of identifying examples of systematic approaches to livelihood change processes looked beyond the narrow field of community development to other areas of human experience which could inform our approaches. A framework of key livelihood change areas was developed and distilled into four broad study areas where current thinking and case study materials were thought to provide useful guidance for SLED:

1. Rural community development support
2. Livelihood change and aquatic-resource-dependent communities
3. Entrepreneurship and enterprise development
4. Corporate staff development and enterprise growth

At first sight some of these may seem too removed from the lives of coastal communities to be relevant to the management of marine protected areas. However, every category deals largely with the same issue: **how to understand and respond successfully to the need for livelihood change**. That some of these livelihoods may be those of poor people on the beach in South Asia, and others of reasonably well-off corporate workers does not detract from our ability to draw lessons from them. The outcomes may be different but the processes behind them have a number of similarities.

In researching these four areas it was found that whereas there are many examples of livelihood change around the world, there are relatively few where a systematic approach to bringing about that change has been developed and used. The enterprise development and corporate growth areas were relatively more developed in such approaches, and the natural resource management and rural community development areas less so.

The examples are reviewed in each section and then discussed in more detail in a discussion and lesson learning section. From this section a set of key lessons for guiding livelihood change interventions are distilled.

## 3. Findings and Examples of Livelihood Change Approaches

The analysis below starts with the area where many of the current efforts to support livelihood change are situated: rural community development. Examples are given where approaches to supporting change have evolved or are being developed. The discussion then moves to examples where livelihood change has specifically been used to address conflicts between livelihoods and aquatic resource sustainability. A third theme of the overview looks at a specific and relevant, area of the development process concerned with developing entrepreneurs and success in enterprise formation. Lastly we look at the systems which established businesses use to recruit and develop their staff, and to help them deal with change in the organisation.



### 3.1 Rural Community Development Support

The motives for supporting community development are numerous but include the following categories: a) poverty reduction through increased income-generating opportunities; b) increased overall economic development of the nation; c) support for specific target groups such as women; d) providing work opportunities for expanding rural populations; e) encouraging regional development in marginalised communities; f) providing opportunities for people dependent on declining industries or industries with decreasing labour requirements; and g) reducing pressure on over-exploited natural resources. The last of these categories is in the ascendant as more natural resources, especially fisheries and other aquatic resources, are over-exploited. There is now a growing urgency to find alternative livelihoods for people to reduce their dependency on these resources.

Although much work has been done on the factors inhibiting or supporting livelihood change (see IMM *et al.* 2005 for a review), there has been far less emphasis on describing or developing systematic approaches that respond to these factors. In reality, much of the livelihood change at the household level occurs without any external support at all. For many communities, livelihood diversification is a common strategy (Gordon 1999, IMM *et al.* 2005). Some may even say it is the norm (Barrett and Reardon 2000). Ellis (2000) discusses the breakdown of income sources in an average household in sub-Saharan Africa, consisting of 25% from cropping, 15% from livestock, 10% from farm wage work, 12% from non-farm work, 15% from non-farm work as a self-employed person, 15% from remittances and 8% from gathering.

Although communities create their own opportunities, there are also groups, organisations and projects that aim to support this process. Haggblade *et al.* (2002) identify three groups of external interveners in livelihood change: a) large private companies; b) non-profit promotional agencies; and c) governments.

Woman weaving baskets, Orissa, India (© P. Townsley).



**Large firms** create demand for changes in production systems or services. Many of these are agribusinesses which need agricultural products. In Cambodia, for example, the arrival of a Malaysian company interested in processing and marketing seaweed stimulated widespread uptake of seaweed culture amongst the rural community (IMM *et al.* 2005). Other industries where large companies have stimulated local diversification include food retailing, tourism and yarn making.

A wide range of **non-profit organisations** has become involved in supporting livelihood change, using many different approaches to facilitate that change. Haggblade *et al.* (2002) note that NGO strategies have evolved from long-term integrated systems of support to more specialised, single-dimension interventions with entrepreneurship development components. But even such highly effective service-delivery systems as the Grameen Bank in Bangladesh, which apparently focuses mainly on credit provision, are often engaged in community mobilisation, group formation, mutual support and skills development. Research with coastal communities in Cambodia has found that those agencies which address the complexity of people's livelihoods are likely to be more effective than single-issue interventions (IMM *et al.* 2005).

**Governments** have a major influence on the context in which rural livelihood change occurs. Sometimes this is intentional; on other occasions it is by default. As discussed above, governments can introduce policies and support services which both create an enabling environment and directly stimulate livelihoods or enterprises. These are often more successful than expected (IMM *et al.* 2005). All too often, however, the multi-sectoral nature of livelihood change, and the multi-disciplinary approaches required to address it, sit uneasily with government. Initiatives requiring linked support from different government agencies often end up falling between these agencies and receiving no support. In effect, the provision of support for enhancing and diversifying livelihoods becomes the "stepchild" of the different ministries (Haggblade *et al.* 2002). Governments can also create conditions making existing livelihoods unviable or unsustainable. For example, changes in policy and law on the capture of wild shrimp seed in both India and Bangladesh seriously constrained the livelihoods of poor coastal dwellers, forcing them either into criminalised livelihoods or to rethink their livelihood strategies where few alternatives were available (Campbell *et al.* 2006).

In response to this classification of support mechanisms, Haggblade *et al.* (2002) identify a three-pronged approach to supporting rural livelihood diversification: 1) identifying or restarting key engines of regional growth; 2) identifying a handful of key commodity or service-specific subsectors, and the supply chains within them, which hold potential for growth and participation by the rural poor; and 3) developing flexible institutional coalitions of interested stakeholders with the ability to change opportunities on behalf of the poor. As a broad strategy this is fine, but it does not, nor does it intend to, supply the detail of how it may be achieved.

The end product of such a strategy should be a dynamic environment in which a vibrant enterprise development and growth sector can thrive. Davis (2006) developed a framework aimed at pro-poor rural economic growth and enterprise development revolving around ten key areas:

1. An enabling environment that provides for an attractive investment climate and fosters dynamic entrepreneurship;
2. Adequate mechanisms and structures to address local needs;
3. Active private sector institutions and linkages;
4. A functioning and effective infrastructure (hard and soft);
5. Access to integrated and open markets;
6. Access to effective and efficient support services and resources;
7. Adaptive management capacity and entrepreneurial competence within business and enterprises;
8. Local organisations, groups and associations (representing the poor) as building blocks;
9. Active participation in and ownership of development processes by well-linked stakeholders; and
10. Ongoing learning from success and failure by all stakeholders.

These ten areas, however, are more the criteria for a functioning environment which supports enterprise growth than a prescription for how to get to that point.

Ellis (1998) suggests that intervening to diversify livelihoods does not necessarily mean an expansion of the role of the state, but rather “improving the institutional context of private decision making by, for example, reducing risk, increasing mobility, minimising barriers to entry and ensuring fairness and transparency in the conduct of public agencies. It is also about helping the poor to identify opportunities, and facilitating them to improve their assets and income generating capabilities.”

One of the most important developments in terms of understanding people’s livelihoods and the factors affecting them is the Sustainable Livelihoods Approach (SLA). A sustainable livelihood can be described as follows (from Carney, 1998, adapted from the work of Robert Chambers and Gordon Conway):

*A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. 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, while not undermining the natural resource base.*

Ellis (2000) describes the SLA as an approach to understanding and responding to the need for livelihood change at the community level. The SLA in its simplest form can be thought of as: a) a framework of linkages and interactions between people, their assets, the institutional environment in which they live, the vulnerability context that affects them, the livelihood strategies they develop and the livelihood outcomes they achieve; and b) a set of intervention principles. Unfortunately, by simplifying SLA in order to describe it more easily, the risk arises of it being interpreted as a mechanistic tool requiring limited skills, knowledge and understanding to apply. In reality, the SLA is much more than the sum of its parts, and has evolved to become a very effective method for understanding and responding to the complexity of people’s livelihoods. It has been used by practitioners over the past ten years to develop a diversity of tools and skills allowing a sympathetic and effective response to people’s needs (Carney undated).

The SLA has now been used extensively to understand how livelihoods are changing in response to changes in the outside world, and as a framework to classify the factors that support or inhibit livelihood change (IMM *et al.* 2005). It has been less used as part of a systematic approach to facilitating livelihood change, though elements of it are visible in the more successful approaches.

Four examples of livelihood change approaches at the community level are discussed below. The first deals with a process that evolved over time using a holistic approach. The second deals with a formal research process that looked at ways of supporting and facilitating livelihood change. The third is concerned with the specific needs of women in the process of enterprise development and livelihood change. The fourth reviews the success and failures of a range of projects on livelihood change in the Pacific.

### **Example 1: Jambi Kiwa**

The first example is that of the grassroots creation and development of the Jambi Kiwa cooperative in Ecuador ([www.jambikiwa.org](http://www.jambikiwa.org)). This is an association of mainly indigenous women set up to grow, process and market medicinal and aromatic plants. The association grew out of a shared experience of being marginalised, as well as a shared vision that things could change for the better. A key facet of this was the context in which it occurred: one of change in a nation-wide movement for indigenous rights.

Jambi Kiwa has evolved through a strong understanding of the community’s asset base, which it mobilised and build on to develop its cooperative approach to enterprise development. The Jambi Kiwa has also harnessed and mobilised both internal and external action in support of its objectives. A key part of this was a shared vision of what they wanted to achieve and strong ownership of the process – Jambi Kiwa is a -cooperative movement. Leadership was also central to progress but in the Jambi Kiwa it was very much a sense of shared leadership. In its relationships with the outside world, the cooperative developed relationships on its own terms – breaking with the traditional “patron-client” relationship. The strength of leadership was seen as a driving force behind the development of a wide network of external support agencies, instead of dependency on a few. Moreover the relationship with these external agencies is one in which they respond to the needs of the cooperative rather than determine where the cooperative is going.

Without consciously doing so, the association has addressed every element of the Sustainable Livelihoods Approach. They understood the assets base and its potential for growth and change. They understood and transformed relationships, and they used indigenous knowledge of wildlife seasonality to gain a foothold in the market place. They built on their strengths, and on a shared vision of the problems they faced and a shared vision of where they wanted to go. They also linked what they were doing individually to wider community and national change processes. They were very participatory and supportive of one another, building strong partnerships. They also addressed all dimensions of sustainability: economic, social, environmental and institutional.

The process seems to have been an iterative cycle of development which started modestly, building on experience and lesson learning, and using feedback mechanisms which established, reinforced and sustained both the success and the growth of the process. The end result has many of the characteristics of the ideal environment described by Davis (2006). This evolution from trying to see what works on the ground to a closely integrated process of development is often seen in community development activities where the champions of change are from the community or at least from community-based organisations. This might be viewed by some as a rather inefficient process of trial and error; however, the iterative process and internal growth create opportunities for group learning and gradual development of a shared vision, while gradually embedding these in the systems and processes that people are comfortable with.

### ***Example 2: Alternative Livelihoods To Poppy Growing In Afghanistan***

A quite different example is that of the Research in Alternative Livelihoods Fund (RALF), established with DFID funding in Afghanistan. RALF was implemented by the International Center for Agricultural Research in the Dry Areas (ICARDA) between 2004 and 2007. The goal of the Fund was: *sustainable livelihoods in place for rural Afghans in poppy growing areas*. The many years of war have left Afghanistan with little research capacity, so DFID was keen to support a programme to facilitate the involvement of outside research institutions through the following outputs:

- A competitive mechanism for funding innovative research projects tailored to the programme purpose;
- Recommended technologies and support services, tested and available for implementation; and
- Improved capacity for applied research and extension in government and NGO partners.

The intended outcomes of RALF were alternatives to opium production suited to the socio-economic environment of Afghanistan and accessible to rural people. RALF operated through a competitive research fund managed by ICARDA. Alternative livelihoods are one of the pillars of Afghanistan's National Drug Control Strategy, and the RALF programme focused specifically on natural resource management aspects. The projects funded under RALF carried out participatory field research with farmers and other beneficiaries. Each project was designed to identify alternatives, to transfer the results to beneficiaries, and to scale up successful research outputs to a broader audience. Two case studies from the RALF work are outlined below.

### **Village Decision-Driven Research Project**

Key to this project was the desire to avoid an "experimental approach to livelihood alternatives", and instead ensure that initiatives are informed by an understanding of both the local situation and the ability to turn local produce into marketable products. The project proposal identified three important aspects of this approach which needed to be fully integrated:

1. To establish an understanding of how poppy cultivation is integrated into local livelihood strategies, in terms of household economics, access to credit and local power structures;
2. To analyse and identify the opportunities within a specific agro-ecological zone in a dialogue with the local farmers, and to build up local capacity to carry out these analyses; and
3. To examine the opportunities for marketing the identified products.



The planned outputs of this work were:

- A survey based on a participatory livelihood analysis of the social, economic and political context of current livelihoods and attitudes towards opium poppy production, designed to assess the feasibility of alternative livelihoods;
- A needs assessment and improved capacity of a local agricultural research station to respond to village organisation requests;
- Analysis of the potential for marketing the products identified by the survey; and
- Pilot marketing activities using the data and analysis produced locally.

This project adopted the approach of working with communities to understand the social, economic, and political context for current agricultural livelihoods, and to assess attitudes towards opium production. To establish the broadest possible understanding of the project area, the project conducted a participatory livelihood analysis. It also worked with local institutions to build up capacity to understand, facilitate analysis and respond to livelihood change options. In addition a detailed market analysis was implemented.

### **Enhancing Livelihoods for Resource Poor Households in the Afghan Hindu Kush**

This second project under the RALF programme (McNeil *et al.* 2006) started with a territorial characterisation to understand what was happening on the ground. The advantage of this approach is its ability to classify different areas of operation to ensure that interventions are tailored to the specific conditions of each area. This was initially done over a wide area and then concentrated on 10 villages for a more focused validation process using participatory rural appraisal (PRA) methods. The second stage was a market opportunity identification study working through local groups to identify and prioritise enterprise options. This involved participatory market chain mapping and characterisation of growing conditions for high-yielding crops. This was to be followed by scaling-up, performance evaluation, institutionalisation and looking at advocacy options.

Lesson from the research included:

- The complex nature of livelihood interdependence and the links between different stakeholder groups, and the importance of realising and prioritising benefits to all stakeholders;
- The importance of including all players in the market chain in the formation of enterprise plans;
- The value of tools that help stakeholders visualise their current situation more clearly; and
- The value of systematically encouraging collective action.

These two case studies from the RALF project are quite different from the Jambi Kiwa initiative. They consciously try to conform with a predetermined research framework yet end up covering similar ground. This includes a strong diagnostic element, considerable direct involvement of the community in the research process, and an assessment of the market for any exploitable opportunities. Although linkages with local research communities was an element of sustainability which was addressed by the RALF project, the institutional sustainability of the Jambi Kiwa suggests that its internal engine for change and innovation is stronger. Local conditions are again at play here – developing the kind of grassroots institutional development seen in the Jambi Kiwa situation would have been much harder in the Afghan case.

### ***Example 3: Promoting income-generating activities for women***

Although the role of women in the household is often distinct from that of men, development processes all too often ignore the differences and treat household members as a homogeneous entity. In 1999 the Centre for Agricultural and Rural Cooperation (CTA) in the Netherlands organised a seminar on “the economic role of women in agricultural and rural development: the promotion of income-generating activities” (CTA 1999). The seminar addressed issues such as understanding the roles of women in rural development, the problems they face, the factors affecting their well-being, the use of gender analysis, the legal status of women, and women’s access to the factors of production. The seminar also identified future action in the form of strengthening the role of women

in development through promotion of income-generating activities. To do this requires a recognition that action is needed in every area considered.

The assumption that women's well-being will be improved by focusing on the household has proved invalid, so mainstreaming gender into the livelihood development process is considered essential. An enabling environment for women is vital and gender policies are considered a good starting point. But the implementation of livelihood change policy also needs to incorporate indicators of women's livelihood change. The key to this enabling environment is seen as greater involvement of women in decision-making processes and representation, and hence in civil society. For this to be successful it requires changes in attitudes to women in society; livelihood change can promote and benefit from this. Transparent and equal land rights are seen as central to this process, as are rights to education and health. Women's access to appropriate financial services, technology and agricultural extension are also seen as critical.

This differentiation of the role of women in livelihood change is echoed by a number of case studies. One such study on the time-supply behaviour of women in an income-generating project in Zambia (Hast 1997) noted that when developing alternatives for women it is important to consider:

- The livelihood status of the household, including family size and number of children;
- The allocation of time between men and women; and
- The differences in control over resources between men and women.

Hast emphasises that a useful indicator for analysing the effects of income-generating projects on women is changes in their bargaining power – a concept closely related to empowerment. A sense of ownership and empowerment in the livelihood change process is a recurring one, and seems important to achieving success.

These examples, and other studies of the role of women in rural development, emphasise a broader lesson – that of recognising, understanding and responding to the diversity of stakeholders in rural communities. All too often the most marginalised groups (whether they are indigenous groups, ethnic minorities, women, the old or the disabled) remain marginalised and without access to the opportunities that livelihood change can bring. Understanding the differences in the role of women and other stakeholder groups in different cultures, countries and religions underscores the importance of context when considering livelihood change.

#### ***Example 4: Supplementary Livelihood Options for Pacific Island Communities***

In 2007, the Foundation of the Peoples of the South Pacific International (FSPI), with support from NZAid, studied 43 livelihood diversification projects in the South Pacific (O'Garra 2007).

Although O'Garra does not describe the methods and approaches adopted by each initiative in any detail, the implementation process offers some lessons. The study is particularly relevant to CORALI in that most Pacific people are directly or indirectly influenced in their livelihood options by what is happening on the coast. The study did not focus solely on aquatic-resource-related options, though some of the livelihood choices were linked to coastal resources.

Most of the activities studied were initiated by the communities or individuals themselves. The motives for doing so were mixed but, as described by Maslow's pyramid (discussed later in this report), money was not the only driving force in livelihood change decisions. Other issues such as status and power were also important.

The study assessed the extent to which the initiatives achieved participatory decision making, finding that there were many forms of participation. Some included only specific groups or deliberately excluded other groups, and the results highlighted the danger of using the general term "participation" to describe specific forms of participation such as the limited inclusion or involvement of people to extract their knowledge.

A lack of access to credit in most of the projects greatly limited their capacity to expand and grow. The activities depended on a recirculation of funds already in the community, and for poor communities this means that opportunities for growth are likely to be limited.

Social capital was considered particularly important as a factor affecting the success of initiatives. Where community groups already existed, targeting them increased social cohesion in the communities. In other situations rivalries developed between competing initiatives, or between groups (for example men and women). Leadership in the community was considered an important factor in success. Where an initiative was supported by community leaders it was more likely to strengthen social cohesion. Although cultural characteristics vary within and between communities in the Pacific, this was generally not taken into account in the development and management of the initiatives.

In the majority of cases studied, goods or services were developed for which there was an existing market. Whilst this had the danger of creating market saturation, it also provided immediate and lower risk selling opportunities. The linkages between access to markets and transport linkages are particularly pronounced in the Pacific, but for different reasons, this is often the case of more remote communities generally.

The “success” or “failure” of projects could not be attributed to a clear set of characteristics although the study correlated success in these projects with the following points:

- The need for an initial baseline study;
- The extent to which there was leadership support for the livelihood options;
- The social cohesiveness of the target group.

These points emphasise both the importance of the wider context in which livelihood diversification operates and the need to go beyond the isolated households, families or individuals concerned and see how livelihood change will operate in a wider community.

Fishing boats at Kanyakumari, India (© J Tamelander/IUCN).



### 3.2 Livelihood Change and Aquatic Resource-Dependent Communities

The FAO estimates that 52% of global fish stocks are fully exploited, and that 25% are over-exploited or recovering (FAO 2004) and the population of fishers is expanding annually. The technology used by these fishers is growing more efficient, further increasing their productive capacity. In addition, changes in climate and coastal resource use are degrading important coastal ecosystems such as mangroves and coral reefs, further threatening fish populations. Such changes are making poorer and more marginalised coastal communities worse off in many ways (Campbell *et al.* 2006).

This study is primarily concerned with coral reefs. The benefits derived by coastal communities from reef systems are many and diverse, and play important roles in food security, income, employment, security, culture and religion (Whittingham *et al.* 2005). The survival of these reefs, however, is becoming increasingly precarious and threatened (Wilkinson 2002).

Various measures have been taken to reverse the decline in coastal ecosystems, such as improved resources management, territorial use rights in fisheries (Rubec *et al.* 2001), coastal area development, marine protected areas, conservation of coastal resources and pro-poor conservation. Few of these have had widespread success, though improvements are visible in some cases, for example community-based mangrove management in St Lucia (UNEP 2006).

Emphasis is now placed on moving communities away from aquatic resource exploitation. An often-cited strategy for achieving this is developing alternative livelihoods (Campbell *et al.* 2006). Most coastal management initiatives recognise the need for livelihood change, but often put it to one side as beyond their scope. In part this is because livelihood change is acknowledged as a difficult challenge. UNEP (2006) describes the creation of livelihood alternatives as “promising but problematic”, requiring “a long-term commitment from all actors, and considerable effort to build capacity, change attitudes, and provide a social safety net and financial resources to ensure that users do not return to their former livelihoods”. The World Bank (2006) recognises that the use of “MPAs come at a high cost – in social, financial and political capital. MPAs cannot be sustained in the absence of alternative income-generating activities that can absorb the excess labor from areas newly closed to harvesting.” Although this is recognised no solutions are given.

One of the problems with the uptake of alternative livelihoods in the fisheries sector is the “stickiness” of the labour market, with low job mobility and limited employment alternatives in many coastal regions (Willing 2007). Where few alternatives exist, restructuring of the fishery may be unsustainable or politically unworkable. In many situations the linkages between the need for change within the fishery and wider social changes are poorly understood and addressed. Even when alternatives are suggested and efforts made to promote them, they tend to reflect the perspective of conservation rather than the perspective of the livelihoods (see for example Kühlman 2002).

Where attempts have been made to address livelihood change, they have often focused on improving the enabling environment through policy, institutional or legislative reform. The poor, however, who are often the ones dependent on aquatic resources for their livelihoods, frequently cannot take up the resulting opportunities, thus becoming further excluded from the development process (Campbell *et al.* 2006).

Outlined below are some examples which offer positive lessons.

#### ***Example 5: Canadian Fisheries Adjustment and Restructuring***

In two Canadian fisheries, the Pacific salmon fishery and the Atlantic cod fishery, the government made major investments in restructuring.

#### **Pacific Fisheries Adjustment and Restructuring**

In the first case, the federal government addressed the decline in the Pacific salmon fishery through a comprehensive, multipartite initiative.

By the late 1990s, substantial changes in the salmon fishing industry in British Columbia (BC) had caused the loss of more than 12,000 jobs, corresponding to a 51% reduction in employment in the commercial and recreational fishing sectors of the province’s salmon fishery (Audit and Evaluation Directorate 2004). These changes included

environmental changes, an increase in the world's salmon supply, increasing competition from the removal of trade barriers and a decline in angler participation in the sport/recreational sector.

The government addressed the issue from several different directions simultaneously through the Pacific Fisheries Adjustment and Restructuring (PFAR) Program, consisting of an investment of C\$400 million over five years. PFAR had four main components:

- Protecting and rebuilding salmon habitats;
- Restructuring the commercial fishing industry;
- Diversifying fishing income; and
- Helping communities to adjust to the changes.

Activities were spread over a number of different government agencies. Some of the key lessons learnt from the process were:

- The multi-agency approach was important to its success;
- Existing government support programmes were important but often insufficient to address a major industry change, especially where the intended beneficiaries had special characteristics such as low levels of formal education and literacy, more advanced ages, close ties to the fishing industry, and were inhabitants of remote communities.
- Working closely with the industry, unions, non-profit organisations and other government agencies to address major adjustment issues was critical;
- When introducing similar programmes, there is a need to address and manage workers and community expectations;
- Preliminary assessment of the extent of the problem and issues before designing and implementing the programme is critical; and
- Putting in place adequate administration and programme data processes for reliably recording and tracking programme participants is important to meeting accountability and evaluation requirements (Audit and Evaluation Directorate 2004).

### **Fishery Restructuring and Adjustment Measures for the Atlantic Groundfish Industry**

In the second case, following declining catches in the Atlantic groundfish fishery in the late 1990s, the federal government announced a programme to help individuals and coastal communities adjust to opportunities outside the fishery, and to lay the foundation for an economically and environmentally viable, self-reliant fishery. Again a multi-agency approach was adopted and a budget of C\$730 million was allocated.

The programme, as with the Pacific salmon programme, aimed to enhance existing fisheries as well as identify and promote alternatives. The key components were:

- Retiring of existing licences;
- Paying lump sums to clients under the earlier Atlantic Groundfish Strategy;
- Providing adjustment measures for people to become self-employed, to gain work experience, to develop new skills, or to relocate;
- Supporting regional economic development; and
- Financing early retirement programmes (Government of Canada 1998).

One of the key bodies involved in this programme was the Atlantic Canada Opportunities Agency (ACOA). Its strategy to support change in the economy focuses on small and medium-sized enterprises, developing wider



economic opportunities and developing policies and programmes to support growth. The Agency addressed six key priority areas:

- Entrepreneurship and business skills development;
- Innovation;
- Trade, tourism, and investment;
- Community economic development;
- Policy, advocacy and coordination; and
- Access to capital and information (ACOA 2003).

These two case studies bring out some important points. Each recognised the need to both enhance the fishery and diversify and create opportunities outside of it. Each also addressed the problem from multiple entry points – not relying on a single strategy. Importantly, the context of wider economic and community development was considered vital as a foundation for the livelihood changes proposed. The cases also recognised the need to work through a number of government agencies simultaneously rather than a single agency. They also worked closely with a wide range of local institutions in government, civil society and the private sector to make it happen. They also developed change strategies based on local needs, capacities and aspirations, but at the same time recognised the need to build technical and business skills and capacity for innovation. They both recognised that these strategies need substantial resources and that communities and individuals must be able to access finance for start-up capital. A need was also recognised for information flows to potential beneficiaries and advocacy for change to support the work. In hindsight, both programmes acknowledged the need for a strong baseline of knowledge about the need and potential for change, and good monitoring of progress throughout.

#### ***Example 6: Tonle Sap Sustainable Livelihoods Project***

The Tonle Sap Sustainable Livelihoods Project (TSSLP) is based at the Tonle Sap lake in Cambodia. The lake supports one of the largest inland fisheries in the world. In the planning phase of the project, the Asian Development Bank financed a study looking for entry points for a project designed to reduce fishing and other environmental pressures on the lake (Agrisystems 2004). The study assessed different areas around the lake to identify approaches that could be used to enhance or change current livelihoods. The study methods used included the Sustainable Livelihoods Approach to understand the complexities of people's livelihoods, and Appreciative Inquiry (AI) to promote a focus on positive developmental visions for the future. The SLA was underpinned by an array of participatory rural appraisal (PRA) techniques. The use of the SLA enabled the complexity of local livelihoods to be understood, but above all it enabled the needs of specific marginalised groups (such as women and Vietnamese) to be identified and addressed. The diagnosis led to an understanding of how different asset combinations have been used to move out of poverty and thus which asset strengthening was most needed. The SLA also created a better understanding of how the wider enabling environment worked for different groups of people, and how it linked with community structures and processes. Understanding these complex institutional arrangements was seen as important for future livelihood change initiatives.

The use of AI was aimed at helping communities to vision a better future rather than just a change away from aquatic resource exploitation. It was also used as a tool to encourage a greater element of self-help in the development process.

The study identified the need for an array of approaches to livelihood development reflecting the different contexts in which villages operate. Some communities were highly dependent on capture fisheries and so were more concerned with making community-based management systems more effective. Others were more dependent on agriculture, so their interest was in improving agricultural productivity to enable a move away from fisheries.

This study is of interest because it demonstrated the need to look at the complexity of people's livelihoods and the value of SLA in achieving this. But it also tried to build on the positive aspects of people's past experience and help them envisage what the future might look like. This visioning process is a powerful way of creating a goal and helping people steer towards it.

### **Example 7: Coastal Livelihoods in Cambodia**

Research into the livelihoods of coastal people in Cambodia is another example where the SLA was used as a diagnostic tool to understand and describe the complexity of rural people's lives (IMM *et al.* 2005). The research used the SLA both to review global experience of the factors supporting or inhibiting livelihood change generally, and to identify the specific factors operating in rural coastal communities in Cambodia. The SLA provided a way of breaking down the complexity of people's lives and livelihood strategies by addressing their access to a range of assets (human, social, financial, physical and natural), the way that access is affected by policies, institutions and processes, trends, seasonality and shocks. The effectiveness of these strategies was assessed in terms of their effects on livelihood outcomes for different stakeholders. The SLA framework was used specifically to understand the factors supporting or inhibiting change within each of those elements of the framework. Strategic considerations emerging from the research were as follows:

- Because livelihood diversification is already an important part of the livelihoods of many aquatic resource users, support for livelihood change could play an important role in reducing dependence on aquatic resources and so creating a more favourable environment for improving aquatic resource management.
- Livelihoods and the factors that affect them in coastal areas are complex. Interventions need to understand that complexity and build on the strengths of existing livelihoods, especially the social resources which exist in communities.
- Being close to foreign markets (particularly Thailand and Vietnam) creates opportunities for livelihood diversification and change. Greater emphasis on better linkages with regional markets could provide new opportunities in the future.
- Better linkages and information flows between coastal communities and national markets would also increase local people's choices regarding their livelihoods. It could also increase their share of benefits. Given the importance of their role, it will be necessary to involve middle women and men in this process.
- Improved access to effective, low-cost health care facilities and services would play a major role in helping households improve their livelihoods, especially for the poor.
- In the short to medium term, relevant vocational skills and knowledge seem to be a priority for livelihood improvement, especially for the poor. However, improved access to affordable education is also necessary in the medium to long term.
- Appropriate credit mechanisms suited to the needs and capacities of different stakeholder groups are critical for improving the outcomes and speed of livelihood change.
- Formal title over land is important for people to diversify their livelihoods and to access credit, especially for larger loans, to take up different livelihood opportunities.
- The livelihoods of different households and different stakeholder groups in coastal communities are often closely interlinked and interdependent. Interventions for rural livelihood improvement should:
  - work with groups who already have the capacity to change and who can stimulate growth in the local economy; and
  - work with poorer groups who need more support to help them take advantage of new opportunities.
- Government policies have complex effects at the local level. There is a need to be more proactive in understanding the impacts of policy decisions and feeding this understanding back into the policy process.
- To deal with the complexity of the coast, interventions should use:
  - multi-agency approaches which bring together a diversity of skills, knowledge and experience; and
  - formal and informal networks to bring these together rather than establishing new formal agencies.



This demonstrates that taking a single focus and supporting one facet of livelihood change is unlikely to work because of the complex inter-relationships between the factors at play. In many communities there is already a strong foundation of experience across livelihoods that can be built upon. Markets and access to them are crucial, but regional (international) markets can be just as important to rural communities as local ones. Health and land issues can be as important to aquatic resource-dependent communities wishing to diversify as access to direct support such as credit and business skills. Much of the emphasis in the past has been on supporting the more able members of the community to change their livelihoods to build momentum in the change process. This can be a valuable part of the process, though its benefits are unlikely to trickle down and targeting the less able is just as important. Creating an enabling environment through policy change is just as important as working with communities directly; in fact, the two approaches must go hand-in-hand. The process of change is not best supported by one type of agency (government, private sector or NGO), it is best guided through a partnership between these agencies and the community. Lastly this partnership needs to be flexible and informal so it can adapt to changing environments.

### 3.3 Entrepreneurship and Enterprise Development

A third area with lessons to offer is entrepreneurship and enterprise development, both in developing world and developed world contexts.

An entrepreneur can be described as someone who perceives an opportunity and creates an organisation to pursue it (Reitan 1997). There is an ill-defined stage where an individual turns their self-employed livelihood income activities into an enterprise, and these two phases of development are closely related, especially in the often informal world of coastal communities. The separation is clearest when an enterprise adopts a change of legal status, but most enterprises in developing countries operate in the informal sector and may never be legally registered.

Tea shop (© J Campbell).



The nature of enterprise and what makes an entrepreneur have been widely studied. The movement of an individual from an employee to an entrepreneur is linked to the recognition of a personally viable opportunity (Reitan 1997). When a potential entrepreneur and an opportunity coincide entrepreneurial activity **may** take place. The literature recognises, however, that identifying what makes a potential entrepreneur is very difficult. It is also true that a viable opportunity alone is not enough; the potential entrepreneur must also be able to take up the opportunity. Many people see opportunities but never take them up; others see themselves as entrepreneurs but never find opportunities. All three conditions – entrepreneurial attitude, opportunity and ability – must be in place before the individual can determine whether forming an enterprise is feasible, desirable or profitable.

Life experiences have been found to be strong predictors of vocational preference (Smart 1989). They explain why many people follow in their parents' footsteps when it comes to career choice, for example the children of fishers often become fishers. Also many people who experience working in a small businesses, especially a family business, develop a desire to form their own. By understanding why and how people have got to where they are in their working lives we can gain some understanding of where they might go next.

In addressing systematic approaches to the development of entrepreneurs, driving forces behind entrepreneurship have been identified and, in some cases, fostered. Cooper (1973) identified a range of influences on decisions to become an entrepreneur, including:

1. Family and religious background;
2. Educational background;
3. Psychological make-up;
4. Age at time of maximum opportunity or organisational push;
5. Earlier career experience;
6. Opportunity to form entrepreneurial groups;
7. Geographical location;
8. Nature of skills and knowledge acquired;
9. Motivation;
10. Experience in "small business" settings;
11. Examples of entrepreneurial action and availability of knowledge about entrepreneurship;
12. Societal attitudes towards entrepreneurship;
13. Ability to save seed capital;
14. Accessibility and availability of venture capital;
15. Availability of personnel and supporting services; accessibility to customers, accessibility to university;
16. Opportunities for interim consulting; and
17. Economic conditions.

Developing entrepreneurship starts at school, and raising awareness about business or employment opportunities, about running businesses, and the about the associated skills and risks, can be important in developing a culture of business (see [www.sse.org.uk/network](http://www.sse.org.uk/network)). This is increasingly being recognised by developing communities themselves. For instance, South Indian fishers are increasingly acknowledging that their children need to gain a wider and more formal education which will equip them to seek employment outside fishing. Such changes in attitude and awareness amongst the young can be fostered through more direct means to encourage the young to experiment with enterprise, and several countries have done so successfully.

Intervening in enterprise development by outside agencies is a growing area of development activity. Intervention is justified on the basis that expansion or change of direction of entrepreneurial activity is thought to be beneficial,

and that entrepreneurial growth is often limited by market failures, failures in governance or failures in economic systems (Bridge *et al.* 2003).


Intervention can be either direct (targeting individuals or enterprises) or indirect (creating a wider enabling environment). They may be supported by an enterprise development policy, though such policies are often absent (Bridge *et al.* 2003). In many cases the policy responsibility falls between ministries because of the broad sectoral diversity that requires interventions across many overlapping and adjacent administrative jurisdictions. Where there is a diversity of institutions providing inputs to livelihood change processes, policy objectives are likely to differ and bringing them to a common point of focus can be extremely difficult. As a result such initiatives are likely to lack the flexibility needed to address the diversity of issues faced by coastal communities.

A key part of any strategy of support for enterprise growth, change or sustainability must be ways of facilitating a diversity of agencies, institutions and initiatives to support the potential user in meaningful ways. Two approaches are widely used, sometimes referred to as the “one-stop-shop” approach and the “first-stop-shop” approach. The “one-stop-shop” approach forms a bridge between disparate organisations, concentrating the services they offer. The “first-stop-shop” approach, however, recognises that this will not always be possible. Instead it provides an initial point of contact which either provides direct support or facilitates a link with the appropriate agency.

Indirect and direct support for enterprise development are often combined and include such measures as: 1) supporting macro-economic policies (such as interest rates, taxation, public spending); 2) deregulation and simplification of systems (such as cutting bureaucratic procedures, legislative exemptions); 3) sectoral and problem-specific policies (such as rural development support, cooperative development, support for women); 4) financial assistance (such as grants, loans, venture capital); 5) indirect assistance (such as information and advice, training, consultancy support, mentoring, network development); and 6) relationships (Storey 1994).

There are also various stages of enterprise development which attract different forms of support (see Churchill and Lewis 1983). These include: 1) the potential for existence; 2) early existence; 3) survival; 4) success; 5) take-off; 6) maturity; 7) decline and 8) termination. These stages reflect the different needs of the entrepreneur at different stages of the development process. Bridge *et al.* (2003) suggest a hierarchy of enterprise needs, as illustrated in Table 1.

**Table 1: A Hierarchy of Enterprise Needs**

ENTERPRISE NEED	LEVEL OF NEED
An environment which can sustain a well-run enterprise	HIGHER
Enterprise/personal support, including mentoring and advocacy, which are often obtained through networks	
The skills needed to advance the enterprise, such as financial and marketing skills	
Resources for advancing the enterprise, such as equipment, materials, workspace and time	
An idea for an enterprise	
	LOWER

There are a number of examples that demonstrate approaches to enterprise development.

**Example 8: The Arab Regional Centre for Entrepreneurship & Investment Training (ARCEIT)**

ARCEIT has been working with the UNIDO Enterprise Development Programme to promote new enterprise creation and enterprise competitiveness through entrepreneurship development, investment and technology promotion. The programme is based on the realisation that finance, facilities and incentives are necessary but not sufficient to ensure appropriate entrepreneurial responses. Entrepreneurial growth additionally requires a focus on human resources.

The programme has established a funding mechanism for small business development and growth, run training courses for business start-up which have led to a number of new businesses being formed, trained trainers in enterprise development to multiply the number of businesses formed, established an incubator service to provide

support and guidance to aspiring entrepreneurs, provided counselling services, developed education programmes in support of entrepreneurship development, run seminars, workshops and debates, and developed a centre of excellence at the Arab Open University, Kingdom of Bahrain branch, to facilitate the establishment and growth of micro, small and medium enterprises in the region.

Specialised components of the work include supporting women entrepreneurs in start-up projects and counselling mature or existing companies seeking to expand. The programme is reported to have had considerable success in the region, and its approach, now referred to as the “Bahrain Model”, is being transferred to other parts of the world.

The ARCEIT programme demonstrates the need to address livelihood change from multiple directions, providing a range of support services to address the diverse needs of different people at different stages of entrepreneurial development.

### ***Example 9: Northern Ireland Regional Enterprise Development***

The European Union (EU) provides funds for supporting business development and diversification. The province of Northern Ireland (NI) in the United Kingdom lacked an enterprise culture in its economy as evidenced by low enterprise start-up and economic activity rates. It also had the lowest Value Added Tax (VAT) registration rate in the country, suggesting a low turnover of companies. Under the EU’s Programme for Building Sustainable Prosperity, the British government established a programme with the following objectives:

- To increase start-up activity in general with a specific focus on groups previously not well represented in self-employment or business ownership (such as women and people aged 45 or more), and in sectors able to exploit global markets;
- To stimulate and promote the benefits of an enterprise culture, particularly the need to celebrate entrepreneurship and the success of local small businesses;
- To provide a physical and support infrastructure to encourage entrepreneurial activity; and
- To ensure that the skills and capabilities needed to start and develop a business are on the education “menu”.

The activities proposed to achieve these objectives were:

- Developing a strategy for creating more sustainable business start-ups, particularly those with high growth potential;
- Increasing entrepreneurship awareness and start-up activity, particularly among under-represented groups;
- Identifying gaps in the enterprise support network and engaging in partnership initiatives to address these gaps, in terms of both infrastructure and capacity building;
- Working with other government departments and relevant organisations to raise awareness of the importance of business and entrepreneurship within the education system;
- Pursuing closer links with universities, science parks, centres of excellence and other research organisations to accelerate the development of knowledge-based businesses;
- Ensuring the provision of a range of financial support options (both public and private) to meet the needs of new business start-ups.

Linked to this was a Small Business Support Network with the following activities:

- Working in partnership with all those who have an interest in small business development (e.g. local authorities, community groups and other government departments) to develop integrated strategies to address the development needs of small businesses and implement plans in a co-ordinated manner;
- Establishing a resource dedicated to the sourcing, analysis and interpretation of market intelligence to inform the development of plans to support the evaluation of small business support services;

- Establishing a “gateway” service to facilitate single point of access information and ‘problem-solving’ advice for the NI small business base;
- Working with other providers of support to build capacity and capability in the area of small business development support.

This example demonstrates the potential for adopting a multi-pronged approach which focuses on the wide array of barriers to enterprise development.

***Example 10: Clustering support: The Orissa Cyclone, OTOP Thailand***

Clusters generally refer to two forms of structure: a group of enterprises owned by one person or business covering a range of economic areas or, more commonly, a geographical area where a group of mostly independent enterprises are developing or have the potential to develop. The second form is discussed here.

Clustering works on the basis that enterprises and individuals derive certain advantages from working together. The physical marketplace is an example of how bringing potential competitors together in one place can help both the seller and the buyer. Working together in groups can also be an advantage to the individual through scale economies, shared information, shared risk or greater bargaining power. Clustering can be a clear benefit in some situations and is seen throughout the world. Certain villages in Ecuador, for example, are renowned for the Panama hats or furniture they produce. Clustering is also an effective way of providing outside support to fledgling enterprises by concentrating support services in a common area.

**Orissa Cyclone**

In Orissa, India, following the 1999 super cyclone, support was provided to many individuals and groups to rebuild their lives (IMM 2001). The extent of the damage meant that many of the NGO and government services could be effectively delivered only if the support was channelled through groups rather than individuals. Although this was initially resisted by communities, it soon became clear that the support services were incapable of working at any other level given the scale of the disaster.

The emphasis on working together produced substantial results. In particular, the obligation to collaborate saw many people who had no previous experience of working together outside of the household benefiting greatly from working with others. A new sense of community began to emerge and joint support became the norm rather than the exception. The new found sense of community allowed and encouraged the development of social safety nets that previously had not existed.

In one community inhabited by bamboo weavers the cyclone completely destroyed the bamboo crop. The individual producers were brought together into a cooperative, enabling them to purchase bamboo in large amounts, share transport costs and negotiate better purchasing prices. They were also able to share skills, reduce their marketing costs and bargain for higher selling prices.

**One Tambon One Product (OTOP)**

The One Village One Product movement originally started in Japan, and the idea was transferred to Thailand as OTOP. Under the programme the Thai government has been promoting local industry through the manufacture of specialty products based on local culture, tradition and natural raw materials.

The aims of the OTOP process are:

- 1) To construct a comprehensive database holding relevant information from every tambon (sub-district) in Thailand;
- 2) To promote local products from every tambon, and to facilitate the buy-and-sell procedure;
- 3) To bring internet technology to villages (this is the starting point of the separate Tambon Internet Project);
- 4) To encourage and promote tourism in Thailand down to tambon level, ensuring more income will reach rural communities; and
- 5) To help rural people exchange information and ideas, and to improve communication between tambons.

Each village now produces its own products but the OTOP project supports marketing, skills development and information exchange. Clustering to improve the chances of success is also enhanced when support services are clustered. This is the case in the OTOP example where service clustering is an efficient way of supporting enterprise growth by focusing on specific locations and marketable goods and services.

It must be noted, however, that clustering production around similar goods and services can lead to an oversupply of products and saturation of the market. Hence supply must be continuously linked to demand.

### **3.4 Corporate Staff Development and Enterprise Growth**

The fourth area where lessons can be learnt is that of corporate staff development and enterprise growth. The way that people interact with large formal businesses offers some useful lessons on how people cope with change and how the institutions in which they work respond to the need for change.

Individuals, particularly those who pass through the higher levels of school, college or university, face many career options, and awareness is growing that these options must be assessed systematically if a suitable career path is to be identified.

Businesses can be thought of as institutions that buy the services provided by their staff. Those staff are individuals with livelihood needs, capacities and aspirations. The formal business often acts in the role of a benevolent agency in providing both the enabling environment for its employees and direct support for the evolution of their livelihoods. The way individuals and businesses respond to career development, staff recruitment and development, and change management all provide useful lessons. These are outlined below.

#### ***Example 11: Career development methods***

Career development initiatives run by schools and governments to help people into suitable jobs are a well-developed approach to livelihood change, especially in more developed economies. In the case of school career programmes the person being helped is trying to identify their first step on the employment ladder; in government employment programmes people are often being helped to overcome redundancy or long-term unemployment. More specialised programmes of individual livelihood change include helping people who have been injured to take up new careers, or working with convicts to help them find work on their release from prison.

Many career development guides follow a pattern of: 1) analysing the person – understanding their strengths and weaknesses; 2) analysing their existing work – understanding what they do and do not like about it; 3) understanding their key requirements from future employment – for example money, full-time or part-time work, security, risk, control – and which are most important; 4) defining the gap between existing and future needs; 5) identifying what opportunities exist or can be created; 6) defining the extent to which the person will need to change and is willing and able to change (slight changes to existing employment, correcting some fundamental aspect of their existing work, substantial change but within the existing work area, moving into another work activity linked to the current one, diversifying into other unrelated areas, switching to a new job); 7) defining the obstacles preventing the individual from making the sort of desired or necessary change (lack of skills or knowledge, lack of work availability, fear of change, lack of financial resources, lack of support); and 8) providing guidance on overcoming these obstacles.

Such a career development approach is aimed solely at the individual concerned and assumes that the external environment is largely static and unchangeable. It also assumes that opportunities for livelihood change exist, though it does recognise that a number of obstacles may confront the uptake of options that need to be addressed. The diversity of steps in this process provide useful stages for any form of livelihood change.

#### ***Example 12: Staff Recruitment in Formal Companies***

As companies become more formal in their organisation and structure, so human resource development and management procedures start to become more important. Such approaches tend to focus on how to get the best out of employees in terms of achieving the company's management objectives. This also includes issues related to employee satisfaction, employee aspirations, and legal and union expectations of employment conditions. A key



part of this is understanding the external demand for the goods and services provided by the workforce over time, and relating this to internal demands for, and scheduling of, manpower.

The selection of staff for specific tasks often involves several steps. These include: 1) defining the tasks, management arrangements, and skills, knowledge, physical/mental attributes and attitudes required; 2) assessing the availability of candidates through calls for applications; 3) initial selection or de-selection on the basis of experience and qualifications; 4) interviewing staff to define their expectations and capabilities; 5) evaluating and short-listing candidates; 6) negotiating contract details and final selection; 7) implementing induction and training; and 8) carrying out ongoing appraisal and career development support.

From this it is clear that companies selecting the best people for the work they have available do not leave this to chance. They do not try to fit people into a list of jobs without any real basis. They carefully try to match people's past experience, needs, aspirations and capabilities with what is needed within the organisation and what is demanded by the market. They then try to make the recruitment work by investing resources in building capacity and confidence to complete the work. Such processes are the minimum that should be considered for a livelihood change of any sort.

### ***Example 13: Staff Development in Formal Companies***

Once recruited, the career development of employees in formal companies typically involves: 1) assessing progress; 2) identifying staff potential; 3) linking potential to opportunities; 4) designing a succession plan for the organisation; 5) defining the aspirations and interests of the individual; 6) defining any changes required in skills, experience, attitude or knowledge; and 7) developing and delivering a plan to achieve these.

Specific staff development interventions involve: 1) defining standards to be achieved; 2) assessing development needs to reach those standards; 3) defining development interventions required; 4) choosing the development methods; 5) planning and implementing the development intervention; and 6) monitoring post-intervention performance against desired standards.

Specific career development interventions may include training (specific courses, ongoing training), coaching or mentoring, job rotation, job experience, visits to other work environments, understudying, involvement in specific projects, reflection processes, on-the-job training, group problem-centred learning, tutorials, feedback, action-learning, and distance learning.

Again the process of developing staff is not left to chance. It is a systematic approach to building on what people have already achieved, their aspirations and capacities, the organisation's requirements and the market demand for skills and labour.

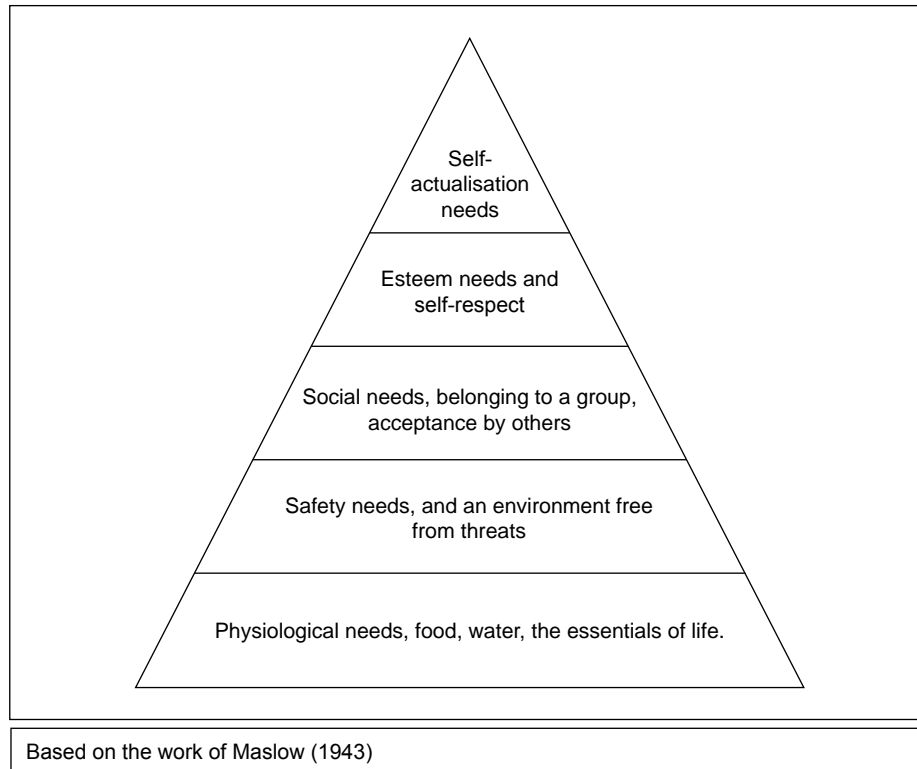
Much of the development of staff in formal companies is related to satisfying staff needs. Management specialists have analysed these different needs and tried to establish hierarchies of need. Abraham Maslow developed what is now referred to as Maslow's Pyramid to show the hierarchy of needs of individuals (Figure 1).

Maslow argued that individuals sought satisfaction in each level, gradually rising up the pyramid as the previous level is satisfied. People's priorities are initially focused on finding enough food, water and shelter, and maintaining good health. Once these have been secured they aspire to reducing risk in their lives, followed by achieving a sense of social belonging and being part of a group or community. Having achieved this, they then focus on self-respect and esteem, followed by self-actualisation.

This theory has been challenged for over-simplification but it does highlight the important point that needs are complex and often hierarchical. Yet individuals are motivated by different things – some by job satisfaction, others by money, and some by power or status. These differences may be culturally determined and may, in different cultures, obey a different hierarchy. The important point is that motivation is complex; it means different things for different people, and it can change as people progress through their lives.



**FIGURE 1: Maslow's Pyramid**



### **Example 14: Managing Change in Companies**

Companies undergo major change during their lives, and these are often very unsettling for the people involved. Change management in companies has many parallels with change management in the livelihoods context: both are risky, disruptive and need to be managed carefully. As such, corporate attitudes to change management can be usefully considered in the context of livelihood change. Change processes have been studied widely and now constitute a distinct field of management. Broadly speaking, they can be divided into four phases: 1) understanding change; 2) planning change; 3) implementing change; and 4) consolidating change (this outline is modified from Heller (1998)).

**Phase 1. Understanding Change:** This consists of understanding why change is necessary (its inevitability and its likely effects); understanding the causes of change (social, economic, environmental, technological, political, legal); recognising sources of change (external, internal, global); and defining the type of change (rapid, gradual, slight, radical, in response to a crisis, for improvement, to avoid loss).

**Phase 2. Planning Change:** This focuses on goals (including assessing objectives of change, defining the principles that will govern the change process, determining gaps between the current and desired position of the organisation, and assessing the corporate culture which may affect the change process); identifying the demand for change; selecting essential changes that need to be implemented; understanding the complexity of the change process and who will be affected how; planning ways to involve people in the change process; choosing timescales; making action plans; anticipating effects; anticipating resistance to change; testing and checking plans.

**Phase 3. Implementing Change:** This involves communicating change; assigning responsibilities; developing commitment; changing culture and limiting resistance to change.

**Phase 4: Consolidating change:** This consists of monitoring progress; reviewing assumptions; maintaining momentum; building on change and assessing the change process.

The planning, management and implementation of corporate change provides a valuable framework for thinking about livelihood change processes in the developmental context. The four stages suggest a broad strategic approach, and the components of each suggest areas that should be considered under any livelihood change process.

All three of these examples from the formal business world suggest ways forward for the livelihood change process. But these are not the only business lessons for livelihood change. Business planning also has many similar processes: 1) defining the current and desired situation; 2) conducting research into the internal and external environments; 3) evaluating options; 4) developing a strategy; 5) constructing a detailed plan; and 6) monitoring and review. Key to these broad categories is identifying demand for the goods and services to be provided. This is covered in stage two when research is carried out. Without this demand, enterprises which are formed or transformed are unlikely to survive.

#### 4. Discussion of Approaches, Lessons Learnt and Principles for Intervention

The aim of this overview is to draw lessons from different livelihood change processes that could be combined into a systematic approach to facilitating livelihood change in coastal resource use. The approach would lead to improved livelihood outcomes, it would be sustainable, and it would help to reduce adverse pressure on coral reefs.

##### 4.1 Discussion

The examples outlined above represent a small but nonetheless broad spectrum of institutional uses of livelihood change methods. This diversity of contexts provides a good basis for drawing examples of good practice that can be combined into a systematic approach. The four broad categories of examples are:

1. Rural community development support.
2. Livelihood change and aquatic resource-dependent communities.
3. Entrepreneurship and enterprise development.
4. Corporate staff development and enterprise growth.

The examples start with general rural community development support. This is probably the closest area to our research focus where extensive work has been done. Much work has been done in this category on identifying the factors that support or inhibit livelihood change. There have even been proposals for broad strategies to achieve this. However, successful methods (which can be defined as “recognisable and replicable approaches” rather than just successful outcomes) for responding to these factors are few. Approaches such as that proposed by Haggblade *et al.* (2002) are very broad, whereas that proposed by Davis (2006) is more specific but describes a set of end points rather than a process. Some research strategies have been developed for understanding the factors supporting or inhibiting livelihood change, for example by the RALF programme in Afghanistan, but few of these have gone on to generalise approaches. RALF does, however, indicate the need to work closely with communities and build the capacity of service providers to support livelihood change.

The Jambi Kiwa example in Ecuador provides a good example of how successful an intervention can be, and illustrates the need for strategies in harmony with local culture and conditions, and the economic and political realities of the time and place, and adapted to people’s capacities to change. It also illustrates the value of self-supporting mechanisms and working together through the change process.

The consideration of women in the livelihood change process was valuable because it showed clearly that stakeholders are not homogeneous groups, and that development efforts need to be tailored to their specific needs, aspirations and capacities.

The review of livelihood alternatives in the Pacific showed how difficult it is to generalise about the factors that create success in projects, especially where monitoring of progress has been limited. It did recognise the value of a good understanding of the local situation, the need for strong leadership and the value of social cohesion.

In the two Canadian fisheries examples there was a very strategic involvement of government in the change process. In both cases stakeholders recognised that they had to both improve the way existing resources are managed and help people to diversify, i.e. **enhance and diversify**.

The provision of services in both cases involved multi-agency approaches, used in the context of strengthening the wider local economy and the community's ability to interact with the economy. Government recognised the value of working with local private sector and NGO institutions. It also provided support through multiple entry points such as business development skills, technical skills, credit, information flows, advocacy and research.

In the case of the Tonle Sap Sustainable Livelihoods Project, the use of the SLA as a means of understanding the complexity of people's livelihoods has proved very useful, and the use of Appreciative Inquiry to take people beyond the constraints of their problems is instructive. The Coastal Livelihoods project in Cambodia emphasised the value of using the SLA as a way of systematically understanding the factors pushing and pulling people into, or away from, aquatic resource use, and provides a useful framework for understanding those factors more globally.

In the area of entrepreneurship and enterprise development there was a greater emphasis on the factors influencing decision making by people forced to make livelihood change choices. Cooper (1973) identified 17 groups of factors that influence people's decisions to become an entrepreneur. Most of these categories would apply as much to rural communities as to urban societies, but they emphasise that the differences between groups from different backgrounds is likely to strongly influence the decisions they make. School, family and the wider community culture can all influence people's willingness to become entrepreneurs. In the case of ARCREIT, there

Fisherman, Gwadar, Pakistan (© J Tamelander/IUCN).



was an implicit recognition of the complexity of factors supporting or inhibiting livelihood change, which affect different stakeholder groups in different ways. The approach of ARCREIT has been multi-pronged: supporting schools, providing counselling, conducting research, running technical training, providing credit and promoting a debate about entrepreneurship. This has tried to address the complexity of livelihood change from many different directions. A similar approach was used in the example of the Northern Ireland Regional Enterprise Development initiative. This becomes a more generalised strategy under the heading of "clustering", where a multitude of agencies come together to provide support for enterprise development in specific locations. This implicitly recognises a need for a critical mass of support to help enterprises survive and grow.

Private companies probably invest more than any other form of organisation in understanding and responding to the need for livelihood change. This is partly because of the recognition that their employees are their most important assets. It is also because many people working in formal organisations see progress within that organisation as a natural progression, and so are pushing for livelihood (or in this case career) change. The growing market for books and advisers on career development has fuelled research into how to approach career change which is providing valuable lessons for livelihood change. Perhaps the most striking lesson is that there is little evidence from the literature

or from experience that simply picking likely livelihood or career options from a list and encouraging people to adopt them will have much success in terms of uptake or satisfaction. Of course there are some cases where this approach has worked, but such an approach has a high probability of failure. Development workers would not accept such an approach to developing their own careers, and inflicting such an approach on village people is likely to have unpredictable, but probably limited, success.

Most career selection/development and staff recruitment approaches rely heavily on understanding people's past careers and their needs and aspirations for the future. They invariably link available skills and motivation to demand either within the organisation or in the wider marketplace. They also recognise that people are likely to need support for moving towards achieving their aspirations and potential. The use of psychology to understand the motives of people for stay in a job or changing has also proved important in understanding the incentives for change at the livelihood change level. The perspective on the hierarchy of enterprise needs (Table 1) also reflects the way in which livelihood needs are likely to change over time as people establish themselves in their new livelihoods.

Although none of the examples suggests a definitive way forward for supporting livelihood change for people dependent on reefs, an analysis of the approaches used in different contexts provides many relevant lessons for their livelihoods. These do not appear as a coherent strategy, but rather are scattered across examples. When combined, however, they start to indicate a strategy which may be adapted or adopted for the purpose of facilitating livelihood change.

Below are summarised the key findings which have emerged from the examples and discussion.

## **4.2 Lessons Learnt**

The lessons learnt from this global review are outlined below and sorted according to the three phases of the SLED process; Discovery, Direction and Doing.

### ***Discovery***

#### **Understanding how people's livelihoods have evolved**

People and their livelihoods do not exist in a condition of stasis without antecedents or consequences. They have evolved over time and that evolution has a major influence on where they will go in the future. The Pacific review example demonstrated the link between good baseline information and intervention success. Likewise the Canadian fisheries examples indicated the need for a good foundation of knowledge on which to build interventions. The Cambodian coastal livelihoods research indicated the importance of understanding people's history as a guide to their future potential.

Many young people follow their parents' or their community's traditional value systems and strategies for living. This often determines what livelihoods they adopt and may act as an obstacle to change. In other cases people show remarkable occupational mobility – again sometimes reflecting similar approaches by those around them. The past experience of people can influence their attitudes to risk and change, influencing future decisions.

It is important to understand why people have developed to where they are if we are to understand where they are likely to end up and how we can facilitate that change.

#### **Recognising and responding to the complexity of people's lives**

In many of the examples, understanding the complexity of people's lives was recognised as crucial to supporting livelihood change. The Sustainable Livelihoods Approach was developed specifically to understand and respond to this complexity. The approach was used to good effect in the example of research in Afghanistan, the Tonle Sap example and the Cambodia coastal livelihoods research. Understanding the complexity of people's livelihoods can reveal many aspects that may be important to the process of livelihood change. It can also begin to define the factors which push or pull people into or out of fisheries.

### **Recognising the different needs of different stakeholder groups**

The livelihoods of people differ, often considerably, reflecting the number of stakeholders in each household and each community, and their different needs and wants. These can be various (as demonstrated by the Pacific review example) or change over time (as indicated by both Maslow's pyramid and the hierarchy of enterprise needs). Recognising that these different needs and wants exist, and that people cannot be treated as a homogeneous group is important, especially for vulnerable or marginalised groups such as ethnic minorities, indigenous groups (as in the case of Jambi Kiwa), the old and the young. The study of women and livelihoods also demonstrated the considerable differences between men and women.

### **Recognising the importance of context**

In several of the examples the context of change was important. The women in the Jambi Kiwa example felt marginalised, but also felt empowered by a wider social movement towards indigenous rights. In the Tonle Sap example those closer to the lake were more focused on fishing than those living further away. Understanding the wider context in which people's livelihoods are fashioned and changing is important for predicting what is likely and possible.

Likewise, building that wider context is also important. The Canadian fisheries examples recognised the importance of building new livelihood options into a stronger local economy that could support and facilitate change.

### **Recognising the interdependence of livelihood components**

Some elements of people's livelihoods are more obviously linked than others; for example, skills and knowledge are often linked to market access. Some linkages are more obscure, however. The example of coastal livelihoods in Cambodia showed how important health was to an individual's ability to work and invest in change. Likewise, access to, and clear title over, land was important to promoting and supporting investment in livelihood change. Furthermore, it was clear from this research that the livelihoods of individuals are linked to those of other people in the household and to the wider community.

These linkages emphasise the need to be holistic when planning change and avoid adopting single-issue approaches.

### **Recognising that people can be powerful change agents themselves**

The process of understanding the past can indicate the extent to which people have been significant agents in the change process. The Jambi Kiwa initiative recognises the internal power of people to bring about change themselves. This was strengthened by their working in a group towards a common goal. In the Cambodia coastal livelihoods research, the diversity of livelihood strategies within households and over time indicated the willingness and ability of people to initiate their own change processes. In the Pacific review, around half of the projects studied were initiated by villagers themselves.

### **Engaging in meaningful participation**

The examples demonstrated that different forms of participation are used in developing livelihood change. Some forms are more concerned with extracting information from villagers or coercing them into livelihood change processes which they have not helped to develop. Where participation has been more collegial and empowering, or even led by the people themselves, those involved have taken on greater responsibility for the change process and become more self-reliant. This was particularly true in the Jambi Kiwa example.

## ***Direction***

### **Developing a shared understanding of the need for change**

Although managers of MPAs or other coastal management areas may identify a need to reduce pressure on the resources they manage, this need may not be recognised by the resource users. A key part of any change process must be to develop a shared understanding of the need for change. This will help drive the change process forwards – an important step recognised by corporate change managers.

### **Understanding what helps people to decide to change**

The motivation for changing a livelihood strategy, for example from one which is damaging the reef to one which is more sustainable, is a complex process. Some people see an opportunity to change their livelihoods and are drawn to it, others are pushed by circumstances. In the case of *Jambi Kiwa* it was a combination of the push of marginalisation and the pull of market opportunity. In the Canadian fisheries cases it was a decline in resource and market availability. In some cases criminalisation of existing activities can act as a major stimulus, for example a ban on fishing or coral mining, collecting shrimp seed on the coast of India and Bangladesh, or poppy growing in Afghanistan. Yet criminalisation of livelihood activities all too often merely imposes additional risks and costs on the poor. The research in Cambodia's coastal communities showed that changing livelihoods was generally very opportunistic, whereas in India caste linkages to specific types of work hinders change.

### **Understanding what is important to people about their livelihoods**

In the examples relating to career change an important aspect was understanding what people see as important in their existing work, or what ideally they would like to do. People invariably like some aspects of their work, businesses or livelihoods, and dislike others.

Understanding these likes and dislikes, and using this knowledge to design change processes can be very important.

### **Sharing a vision of the future**

As important as recognising the need for change is the need to define where the change process will be heading. Corporate change processes are particularly concerned with defining clear change goals. In the Tonle Sap example, Appreciative Inquiry was used to develop visions of where livelihood change might lead. A clear vision was also central to the *Jambi Kiwa* example. Developing and sharing a vision of where a community wants to evolve to helps provide community cohesion in the change process.

As Smart (1989) states, life experiences are strong predictors of vocational preference, but these experiences can be many and complex. Cooper (1973) identifies a range of broad factors that can influence the decision to become an entrepreneur, and IMM *et al.* (2005) summarise the factors that can push or pull livelihood change from a wide range of global studies. These are likely to change over time as a result of both endogenous changes in people's livelihood strategies and exogenous changes in their environment.

The work done by Maslow on the hierarchy of motivation indicates how motivation to change can change over time and with changing circumstances. It is important to recognise this multiplicity of factors and respond to the diversity, rather than focus on specific issues. Likewise, it is important to understand the motives for decision making and to work with them.

### **Understanding the options for change**

Often people do not change because they see no prospects for change. Even when their livelihoods are criminalised they may find it difficult to find alternatives. Part of the motivation for using *menu approaches* is to provide lists of options for people. This can be useful as one part of a more systematic approach. Good examples of tools which help people to vision ideas beyond their normal scope include the book "Save Na Mekim" (The Melanesian Council of Churches 1982), which illustrates different rural livelihood activities, gives instructions on how to adopt them, illustrates key stages or outputs, and discusses the benefits.

In the case of the Tonle Sap Livelihoods project, Appreciative Inquiry techniques were used to raise people's awareness of potential livelihood alternatives based on their hopes and aspirations for the future, and their strengths and success from the past.

It is important both to create an awareness of opportunities and to facilitate development of a vision for how that potential can be used.

## **Doing**

### **Understanding local power relationships**

An important component of the SLA is the relationship between livelihoods and the formal and informal institutions with which they react. These relationships are often based on relative power and influence, and can have an important effect on livelihood changes. This is particularly so for women and middlemen, and for local leaders.

It is important to recognise this role and to engage with these relationships especially where they have a major influence on markets.

### **Building shared leadership and partnership**

The Jambi Kiwa experience showed how leadership from within the community was important for group mobilisation, as was working in partnership and mutual support. In business, “champions for change” are often seen as key people to facilitate and engender support around change in business. Partnership is a key part of any group mobilisation process.

The Pacific review also identified leadership, especially in the context of social cohesion, as an important factor in the success of livelihood change processes.

Building on existing leadership skills and partnerships can enhance trust and make working together and providing mutual support easier.

The example of the cyclone in India demonstrated the importance of people working together and sharing an understanding of, and supporting each other towards, a common goal. Likewise the One Tambon One Product project in Thailand shows the value of working together to access external support and the importance of scale economies in information exchange and shared marketing.

### **Understanding and matching needs to the market**

When developing new livelihood options it is important to know that such strategies are viable. All too often people have changed to the same livelihood *en masse*, saturating the market with goods and services. A key part of avoiding this is understanding the market. The RALF programme was particularly aware of the need to map market opportunities in advance of livelihood change. Most of the projects in the Pacific review focussed on existing markets where they knew that demand existed. The Canadian fisheries examples went one step further and tried to develop local economies further to enhance demand. Staff development activities within companies link staff development to markets – recognising that there is little point in building skills not in demand.

Matching people’s livelihood options to the market is essential if people are to develop those livelihood strategies to the point where they feel safe and satisfied within them. Likewise, being aware that too many people following the same employment or income earning activity in one area can quickly change market conditions is vital.

### **Developing a plan for the future which turns visions into reality**

Whereas some processes are driven by a need for change to escape unacceptable circumstances, others have a clear goal of a better life – a vision for the future. Turning this vision into reality is a complex process with many steps. In corporate change processes this complexity is acknowledged and a clear and agreed plan is drawn up to achieve the vision. This can be equally true for livelihood change. A plan helps people to see where they are going and how they are going to get there.

### **Enhancing existing livelihoods where possible**

A change from one livelihood to another is not always the only way forwards. Enhancing existing livelihoods also has a role to play. This can take several forms: changes in technology, harvesting practices or rehabilitating habitats (for example in the Canadian fisheries case studies); and improving the business management skills of individuals or improving their access to markets. These can facilitate a more profitable livelihood and reduce the need to engage in destructive activities that might damage reefs.



The ACREIT example recognises the need to provide support for livelihood development over a period of time, and that the kind of support needed will change as enterprises or livelihood strategies evolve.

Likewise, improved management and more secure access rights to natural resources can increase people's time horizons, and reduce their willingness to accept or participate in destructive harvesting practices.

### **Building upon existing diversity**

It is clear from a number of the examples that livelihood diversification is a strategy that many people have already adopted as part of their coping strategies. This portfolio approach to livelihoods suggests that having more than one source of livelihood income is considered an important part of a wider strategy. Where present, this can be built on to help the process of livelihood change.

### **Building on people's strengths**

A key part of the Appreciative Inquiry method is to focus on people's strengths rather than the problems that they face. The SLA is also more concerned with building on people's potential rather than focusing on problems. Appreciative Inquiry has demonstrated the power of tapping in to people's strengths and positive experiences to help future visioning and planning.

These approaches can be very powerful in generating motivation for change and for facilitating early successes.

### **Building entrepreneurial capacity early**

Cooper (1973) recognised the importance of family and early learning on the willingness to become an entrepreneur. The Cambodia coastal livelihoods research recognised the benefits of households in building the livelihood skills of new entrants into the labour market. ACREIT also recognised the need to build skills at school and university, as did the Northern Ireland example. A recent experiment in schools in the United Kingdom, which rewarded entrepreneurial skills in the young, found that once young people had experienced the benefits of developing a commercially-oriented livelihood under controlled conditions, they were much more likely to move in that direction for a later career.

Women collecting bait worm for sale, Phuket, Thailand (© J Tamelander/IUCN).



Supporting the development of entrepreneurship skills at school can help lay the foundations for a more vibrant future economy, which creates more opportunities for people to move away from livelihoods that destroy the reefs.

### **Catering for a diversity of skill levels**

In the Jambi Kiwa situation it was recognised that different people had different needs and aspirations, and different abilities to offer the enterprise. Some took on leadership roles; others did not. Likewise, in the Cambodia coastal livelihoods research it was recognised that there was a complexity of stakeholders with different skills and needs.

Stakeholder analyses can provide a valuable way of differentiating groups and understanding what they need in order to change.

### **Adopting multi-pronged and multi-agency approaches**

Because the support needs of different people vary with their aspirations, capacities and stage of development, so the kinds and levels of support are likely to differ. In the Canadian fisheries, the Northern Ireland and the ARCEIT examples, the problems of livelihood support were addressed using a variety of approaches including providing finance, information, training, economic development and advocacy. They also tended to work through a collaborative partnership between different agencies, recognising each other's strengths and limitations.

### **Sequencing support for interventions**

When introducing support for livelihood diversification to address reduced opportunities from imposed management measures, the sequencing of that support can be very important. In most situations, livelihood diversification is introduced to respond to declining livelihood opportunities i.e. the management measures are introduced first. This puts additional pressure on the communities concerned where livelihood outcomes are already likely to be depleted by resource over-exploitation or habitat damage. There is also a need for support to livelihood change process to match the stage of development of the livelihoods, enterprises and communities in the change process.

Introducing livelihood change support before management measures is likely to ease the change process considerably.

### **Raising awareness in government and NGOs, and facilitating support**

Livelihood change requires both short-term support for the change process and long-term support for continuing livelihood development. Civil society organisations often play a key role in this process but they cannot work alone. Haggblade *et al.* (2002) recognise the importance of the role of both government and NGOs in supporting livelihood diversification and the weaknesses of that support. In many cases support for enterprise development falls between ministries and departments, and is overlooked by programmes. Specialist agencies, such as those dealing with the coast or with reefs, rarely have the skills to address livelihood issues. In the Cambodia coastal livelihoods research these weaknesses were recognised and informal linkages between government and NGO agencies were suggested as important ways forward. That research included line agencies and NGOs, and helped to raise the profile of livelihood change in the policy agendas of both groups. In the two Canadian case studies, the importance of engaging with local government, NGO and private sector institutions was recognised.

Raising awareness amongst government and NGO workers about the needs for livelihood change and the roles they can play is an important facet of success.

### **Building the capacity of service providers and creating and enabling environment**

Both the RALF and the ACREIT examples recognised that local service provision from support agencies is likely to have weaknesses. They provided skills to enhance these service providers so that they would progressively enhance the wider support environment.

Without these, emerging livelihood strategies will find it difficult to survive and thrive. They also recognised the need for a diversity of support structures and processes to cater for different needs at different times or stages of development. Likewise, the Northern Ireland example recognised the need for a wide diversity of support institutions but provided a focal point of delivery for these services through local "gateway" service points.

Helping to build this enabling environment is essential to both the early survival of new enterprises and livelihood change, and to their long-term growth and profitability.

### **Working through local institutions**

In the Canadian fisheries examples, the need to work through local institutions was recognised at an early stage. This has the benefit of building capacity closer to the change process that can continue after levels of support decline. In the RALF example, the need to build local institutions became a major part of the work.

### **Clustering support**

The OTOP and Orissa cyclone examples highlighted the need to achieve critical masses of support. They demonstrated the value of working through clusters of people wishing to change their livelihoods rather than spreading resources too thinly.

### **Building innovative capacity and continuing livelihood development**

In the Cambodian coastal livelihoods research it was clear that providing people with new livelihood opportunities may overcome an existing problem but does not necessarily give them the capacity to adapt to future challenges. Building skills to help individuals and communities innovate in the face of future changes in their environment is key to long-term survival and growth. Part of the ACOA support in the Atlantic Groundfish case study was directed at building capacity for innovation. In the RALF programme, this was achieved indirectly through building the capacity of local institutions.

Building innovation skills and, more widely, providing support for continuing livelihood development is important.

### **Targeting service provision**

The work done with women (see example 3) highlighted the need to target these groups. This was echoed by the RALF work in Afghanistan. The work on Cambodian coastal livelihoods recognised the different needs of all major stakeholder groups, and the importance of addressing those needs separately and with different approaches.

It is important for support agencies to be aware of this diversity and to target support accordingly.

## **4.3 Summary of Lessons Learnt**

### **Discovery**

1. Understanding how people's livelihoods have evolved;
2. Recognising and responding to the complexity of people's lives;
3. Recognising the different needs of different stakeholder groups;
4. Recognising the importance of context;
5. Recognising the interdependence of livelihood components;
6. Recognising that people can be powerful change agents themselves; and
7. Engaging in meaningful participation.

### **Direction**

1. Developing a shared understanding of the need for change;
2. Understanding what helps people to decide to change;
3. Understanding what is important to people about their livelihoods;

4. Sharing a vision of the future; and
5. Understanding the options for change.

## **Doing**

1. Understanding local power relationships;
2. Building shared leadership and partnership;
3. Understanding and matching needs to the market;
4. Developing a plan for the future, turning visions into reality;
5. Enhancing existing livelihoods where possible;
6. Building upon existing diversity;
7. Building upon people's strengths;
8. Building innovative capacity and continuing livelihood development;
9. Catering for a diversity of skill levels;
10. Adopting multi-pronged and multi-agency approaches;
11. Sequencing support for interventions;
12. Raising awareness in government and NGOs, and facilitating support;
13. Building the capacity of service providers and creating an enabling environment;
14. Working through local institutions;
15. Clustering support;
16. Building entrepreneurial capacity early;
17. Targeting service provision.

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