

Livelihoods

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Livelihoods analysis has become a widely used approach in academic and applied development circles to better understand the numerous components of poverty and marginalization, as well as how people escape such circumstances. Since gaining prominence in the mid- to late 1980s, the term “livelihoods” has been the centerpiece of a variety of approaches, frameworks, and methodologies spanning diverse disciplines and scales. At their most fundamental level, these approaches aim to achieve a holistic, actor-focused understanding of how individuals and households work to create and sustain a means of gaining a living, often set within a context of poverty or vulnerability. At the same time, development discourse has increasingly prioritized environmental protection and the sustainable use of natural resources. Emerging scholarship on sustainable livelihoods thus lies at the interface of poverty studies and research on the environment. Since the terms “livelihoods” and “sustainable livelihoods” and the notions surrounding them are often used interchangeably, this entry discusses both concepts.

Two theoretical debates enhanced the initial appeal of the livelihoods concept within development theory and practice. One was the impasse that emerged in the mid-1980s regarding a relevant way to move forward with development theories. Scholars had become critical of the overly structuralist explanations of uneven development offered by the dependency and

neo-Marxist theories of the 1970s and 1980s. While livelihoods perspectives kept attention focused on the unequal distribution of power and resources in society just as these former theories had, the livelihoods approach was argued to be more balanced, emphasizing the role of human agency in coping with vulnerability, poverty, and structural change. Second, the livelihoods approach presented an alternative to the inadequacies of modernization approaches to poverty that chiefly focused on income earnings and consumption levels. Advocates of a livelihoods approach thus argued for a more multidimensional and situated concept that perceived local development through the lens of lived experience, with a focus on households, networks, and communities.

Defining “livelihoods” and “sustainable livelihoods”

At its most basic, a livelihood is a means to a living. Livelihoods are dynamic, relying on emerging opportunities that are embedded within constantly changing social and political contexts. It is difficult – and, many would argue, simplistic – to try to measure complex local household realities by monetary income alone. Livelihoods analysis thus takes a holistic approach, looking at multiple components that contribute to the possible living of a household or individual. A frequently cited definition of a livelihood is “the assets (natural, physical, human, financial, and social capital), the activities, and the access to these (mediated by institutions and social relations) that together determine the living gained by the individual or household” (Ellis 2000, 10).

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Because circumstances and situations change over time, an increasingly common feature of livelihoods studies has been a focus on sustainability. A livelihood is considered sustainable when “it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base” (Scoones 2009, 175). Ideally, sustainable livelihoods result in maintainable opportunities for the next generation and contribute net benefits to other livelihoods at the local and global levels and over the short and long terms. Key authors involved in the initial creation of these definitions include Chambers and Conway (1992), Carney (1998), and Ellis (2000).

The sustainable livelihoods approach is particularly successful at conceptualizing livelihoods holistically. From this perspective, livelihoods comprise the capabilities, tangible and intangible resources (assets), and activities (or livelihood strategies) – plus access to these, mediated by social relations and institutions – which individuals or households draw on to gain a living. As Chambers and Conway (1992, 6) have suggested,

A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short- and long-term.

Anthony Bebbington (1999) adds that sustainable livelihoods build on the assets people have at hand to provide them with outcomes such as material wellbeing, a meaningful existence, and the capability to shape the larger context in which they live.

The concept of sustainable livelihoods emphasizes the fact that people use a variety of assets and activities to build their livelihoods. By concentrating on the individual or household scale, the approach provides a crucial alternative to the abstract, macroscale discussions typical of sustainable development discourse. Sustainable livelihoods research also sees sustainability as a multifaceted and multiscale notion, while adding a temporal component to earlier ways of conceptualizing livelihoods. Above all, advocates argue that sustainable livelihoods analysis allows for a comprehensive portrayal of the complex composition of livelihoods, including aspects of vulnerability and meaning, while tackling poverty in a transformative way. More specifically, sustainable livelihoods approaches have been considered to be a set of principles guiding evidence-based development interventions; an analytical framework to help understand what *is* and what could be done to make livelihoods sustainable as an overall developmental objective.

Livelihoods frameworks

Building on the livelihoods and sustainable livelihoods concepts, different frameworks have been designed as analytical structures to better understand the complexities and components of livelihoods and how interventions might best be made. The most familiar frameworks have been conceived of by the International Development Studies Institute, University of Sussex (Scoones 1998), the United Kingdom’s Department for International Development (DFID 1999), and Frank Ellis (2000). These frameworks focus on analyzing how impoverished people draw on their assets to formulate various strategies for making a living. The proponents of such frameworks suggest that the poor choose from

a range of available livelihood pursuits to meet their needs, within the constraints of their given locality and context. Livelihoods analysis considers how this context shapes people's access to assets, the strategies they are able to pursue, and the resultant outcomes. In turn, the frameworks aim to depict how people subsist, and envision how contextual constraints to sustainable livelihood goals can be overcome. Although these frameworks all differ slightly, the general building blocks are fairly similar. One difference to note is that the DFID livelihood framework includes feedback loops, highlighting the complex and interlinked nature of livelihood creation and composition.

Livelihood assets or capitals

Assets or capitals – and how these may be used, combined, expanded, and reshaped – are at the core of determining the feasible set of livelihood strategies an individual or household can pursue to meet their material and experiential needs and motivations. Scholarship on sustainable livelihoods borrows from economics in seeing these assets as capitals which can be accumulated and invested in pursuit of livelihood outcomes. These capitals go beyond mere livelihood resources, though; they are assets that give people the capability to be and to act, permeating lives (cf. Sen's (1985) capabilities approach). This broad view illustrates how low monetary incomes do not preclude one from having a range of other assets to provide livelihood options and wellbeing. By calling attention to what people *have* instead of emphasizing what they *lack*, the sustainable livelihoods approach, it is suggested, lends an outlook of optimism and individual agency to development discourse.

Five types of capital, together commonly known as the “asset pentagon,” are generally used in livelihoods and sustainable livelihoods frameworks:

- 1 *natural capital*: the local stock of environmental resources, including both renewable resources (such as water, forests, soil) and nonrenewable resources (such as extractive resources like metals and oil) on which livelihoods can be based;
- 2 *physical capital*: human-produced capital goods (productive resources), such as infrastructure (including roads, communication networks, irrigation schemes), tools, and machinery that facilitate production processes and market exchanges;
- 3 *financial capital*: wages, savings, credit, remittances, pensions, and precious metals (often in the form of jewelry) which are valued for their convertibility into other types of capitals or consumption goods;
- 4 *human capital*: a person's knowledge base, education level, skills, and health status, and the resultant quantity and quality of labor individuals or households can draw on to fulfill their productive and reproductive duties;
- 5 *social capital*: heralded by the World Bank as perhaps the missing link of development, this includes the rules, norms, obligations, reciprocity, and trust that are found embedded in social relations, structures, and institutional arrangements and which enable people to achieve individual and community objectives, including gaining resources. Like other forms of capital, social capital is subject to accumulation and depletion.

Although these are the five most commonly recognized livelihood capitals, some authors have advocated for cultural capital to be treated as a separate category (rather than it being sometimes subsumed within social capital). Drawing on the work of Pierre Bourdieu (1984), cultural capital (simply put), relates to the skills, knowledge, education, and possible social advantages

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a person has that can give them benefits in society. Bourdieu divides cultural capital into embodied, objectified, and institutionalized forms. It is sometimes also argued that political capital should be considered as a separate asset, as discussed shortly.

These capitals are interrelated and affect each other; the acquisition or exploitation of one may hinge on the ability to mobilize or access another. For instance, social capital can mediate access to natural resources, while human capital is required to put natural capital to productive use. When necessary, physical capital (e.g., livestock) can be converted into financial capital (e.g., money). To a certain extent, capitals can be substituted for one another, with different assets demonstrating differing potentials for substitution. Fertilizer (physical capital), for example, can compensate for declines in soil fertility (natural capital) to some degree. Substitutions can also occur within asset categories, such as when labor is reallocated from domestic duties to cash cropping. Studies have demonstrated that the capacity to flexibly substitute and convert between assets is often critical for successfully coping with shocks and seizing new opportunities. Since livelihood strategies rarely draw on or enhance all the capitals/assets at once, their sustainability must be considered in light of the combinations of and substitutions between assets and their overall stock through time.

Access

Access determines how individuals acquire (or miss out on) the capitals needed for their livelihoods. While assets/capitals might be considered the building blocks of livelihoods, access to these building blocks is essential for creating a livelihood that meets current needs and can respond to changing circumstances. The three intricate

mechanisms which mediate household and individual access to assets and activities include social relations, institutions, and organizations.

Social relations reveal how different social positionings mediate access, grounded in factors such as ethnicity, gender, kinship, religion, and class. Institutions can be defined as “the formal rules, conventions, and informal codes of behaviour, that comprise constraints on human interaction” (Ellis 2000, 38). Institutions are regularized practices or patterns of behavior, structured by the rules and norms of society, which have persistent and widespread use. Institutions are not absolute, but rather are created through social interactions and negotiations, structuring and regulating how society functions. Examples of institutions include land tenure arrangements, traffic rules, and the custom of marriage. Finally, organizations include government agencies, nongovernmental organizations (NGOs), cooperatives, and so on, organized around a common set of objectives.

Focusing on social relations, institutions, and organizations allows for a multiscale analysis of access, for instance, revealing how a state policy or NGO can impact a household’s livelihood strategies. Concurrently, it is also important to note how social exclusion can occur through these mechanisms, with specific individuals and households (such as women-headed households) potentially locked out of access and opportunities.

Livelihood strategies and diversification

Livelihood strategies are the ways that individuals and households choose to use, transform, and reproduce their capital stock or resource base in pursuit of livelihood goals. Scoones (1998) suggests three main livelihood strategies that are often available in rural contexts: agricultural intensification, agricultural extensification, and

migration. A fourth strategy, livelihood diversification, may include a mix of these three.

Frank Ellis (1998, 4) defines rural livelihood diversification as “the process by which rural families construct a diverse portfolio of activities and social support capabilities in their struggle for survival and in order to improve their standards of living.” Diversification can occur at multiple scales, such as an individual pursuing a variety of activities such as farming, trade, and contractual labor, or members of a household specializing in particular activities but in aggregate bringing together a diverse portfolio of livelihood strategies. Migration is a common livelihood diversification strategy, making a household’s organization of livelihood activities multispatial. As with assets, the relative importance of different livelihood strategies changes through time, across regions, and even within a given household.

Individuals and households diversify their assets, incomes, and activities for various reasons. Push factors include the need to expand safety nets, mitigate risks, and resist and/or cope with shocks and stresses. Diversifying livelihood strategies in this way (also called “distress diversification”) can allow people to stabilize their income and regulate consumption in case of crises or seasonal shortfalls. Alternatively, pull factors, or “progressive diversification,” can involve the realization of new opportunities. In addition, as noted by Sarah Turner (2007), a strategy of “selective diversification” may result in flexibly engaging with certain livelihood strategies at opportune times and withdrawing from them during other periods, thus moving beyond a dualistic classification of diversification. Crucially, sustainable livelihoods scholarship recognizes that diversification plays a central role in livelihoods, and that the “rural” is not strictly synonymous with agricultural activities.

Examining diversification strategies highlights the importance of taking scale into account when researching livelihoods. Although livelihoods approaches tend to be focused on the microscale, one still needs to consider whether the individual, household, or some other grouping should be the unit of analysis. Chambers and Conway (1992) situate livelihoods at the level of the household, which they define as a group of people that eat from the same hearth. Yet this analytical unit may not always be the most appropriate; households can be split by intrahousehold conflict or differentials in capitals and capabilities. As a result, different members will be impacted differently by changing circumstances: gender and age differences within the household, for instance, are likely to affect individual outcomes. Furthermore, the definition of a household is up for debate, since not all contributors to a household’s common livelihood necessarily live under the same roof, and remittances may constitute a significant portion of a household’s financial capital.

Vulnerability context and transforming structures and processes

The livelihoods literature calls attention to how the external environment affects people’s options and strategies for making a living. Some analysts distinguish between an exogenous “vulnerability context,” over which people have little or no control, and sociopolitical aspects endogenous to the norms and rules of society, deemed “transforming structures and processes.” The vulnerability context includes people’s exposure to shocks, trends, and seasonal changes. Shocks include human-induced or “natural” stresses such as natural disasters, droughts, conflicts, crop or animal disease, and death. Trends include fluctuating resource stocks and population growth,

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as well as changes in technology and governance, while seasonality can affect production, prices, health, and employment opportunities.

In turn, transforming structures and processes are composed of structures which include public and private organizations such as the government, NGOs, and commercial enterprises, and of processes such as the laws, policies, cultural norms, and institutions that shape human interaction. Attention to these external conditioning variables, it is argued, links the livelihoods framework's micro and macro elements, providing a launching pad for policy-based interventions.

Livelihood outcomes

One of the key contributions of the sustainable livelihoods approach is its holistic conceptualization of what constitutes a sustainable living, challenging practitioners and researchers to question the desired ends of "development." These ends, or sustainable livelihood outcomes, can include income, dignity, power, and sustainability; put differently, the approach implies an improved quality of life according to a household's own criteria (Bebbington 1999). From this perspective, the assets that serve as inputs to livelihood strategies are also livelihood outcomes themselves. This bidirectional notion is a strong point of the sustainable livelihoods literature.

Methods

There is no set group of methods that is drawn on to undertake livelihoods analysis. Often a mixed methods approach is used, bringing together quantitative approaches such as village- or community-level surveys and qualitative approaches such as in-depth conversational and semistructured interviews, oral histories, focus

groups, and observations. Participatory approaches are sometimes incorporated, including participatory rural appraisal (PRA) techniques such as participatory video and field-mapping. As with any participatory approach, such methods can raise concerns over representation and the "myth of community." Particularly when used by development practitioners, a livelihoods analysis can also run into trouble if local interviewees downplay their assets because of taxation or theft concerns, or in order to benefit from possible interventions.

Critique of the sustainable livelihoods literature

Though it presents a dynamic portrait of the relationships between rural livelihoods, poverty, and the environment, sustainable livelihoods scholarship is limited in certain ways. One shortcoming is in its handling of poverty. While the concept of poverty is considered essential for discussing livelihoods, no explicit mention is made of poverty's place within the notion of sustainable livelihoods, nor are the differences between definitions of poverty properly emphasized. Indeed, a focus on capitals privileges research and developmental interventions among poor people who already have some assets, at the expense of the completely destitute with minimal assets. By focusing on shaping environments that facilitate capital accumulation, the safety nets required to protect people from poverty can also be glossed over.

There is also concern that, since the 1990s, endless livelihood case studies have been amassed, but little research across differing scales has emerged. As such, no generalizable trends have become apparent from which comparative explanatory frameworks can be created or existing theories challenged. Academics such as Leo

de Haan (2012) thus argue for the combination of meta-analysis and comparative research to try to extend livelihoods research.

Critiquing capitals

While it may serve as a useful concept, the notion of capitals is contentious. “Capitalizing” key aspects of a livelihood using the language of neoclassical economics can be argued to be reductionist, as is the use of economic terminology to understand microscale resource use and household subsistence decisions. Often, those working through a human geography or anthropology lens aim to theorize capitals/assets within a relational context, while the language of neoclassical economics tends to remove assets from this crucial context.

Given the way sustainable livelihoods research couches both tangible and intangible resources in the language of economics, it is unsurprising that analyses can often end up ignoring ways in which capital can be drawn on to work toward nonmaterial ends. For instance, seeing human capital in terms of labor alone undervalues the way it enhances people’s capabilities to question, challenge, and transform the world. The same criticism applies to the concept of social capital, which is rarely considered for its intrinsic value, such as giving people voice, stimulating participation, and enriching lived experience. Sustainable livelihoods work also tends to ignore negative aspects of social capital, whereby certain individuals or groups are able to deny others access to resources and opportunities.

The asset pentagon is also subject to criticism since defining, measuring, and calibrating across assets is complex, as is calculating tradeoffs between often incomparable capitals/assets such as tangible resources and ongoing processes. Critics argue that this has weakened the sustainable livelihoods approach by not questioning or

engaging the linkages and substitutions between different capitals/assets thoroughly enough. Yet proponents have suggested that these concerns can be overcome by working to understand what specific assets mean to particular groups in certain situations and contexts. For instance, an asset such as land is seldom just a tool to realize financial and material ends, but frequently gives meaning to a person’s world.

Power relations

A common critique of the livelihoods and sustainable livelihoods approaches is that they fail to adequately engage with the role of power relations and politics. According to Toner (2003, 772), the sustainable livelihoods approach provides an “individualized,” “depoliticized,” and “benign” portrayal of how people make a living and manage their resources. Its silence on power issues is puzzling given how power routinely (re)produces poverty. With a few exceptions (e.g., Ellis 2000), sustainable livelihoods frameworks have glossed over how everyday life and poverty are shaped by institutions like gender, property regimes, and power relations. This hides from view a crucial portion of the picture that should be analyzed, and underestimates people’s full potential for action. Some theorists therefore argue for the inclusion of political aspects in the definition of sustainable livelihoods, with political capital analyzed in its own right, as noted earlier. While there is some room in commonly used livelihood definitions for considering political power as part of social relations, institutions, and organizations, it can also be argued to be a capital asset which people accumulate or draw on in pursuing livelihood options. Others have instead turned to actor-oriented approaches to explore and explain how macro forces of change are experienced and negotiated locally, drawing on tools

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such as the “social-interface” (Long and Long 1992).

Debating strategy

Another aspect of the sustainable livelihoods approach that scholars have questioned is the assumption that individuals act as strategic managers, rationally selecting from a range of livelihood options within given contextual constraints. Structuralist authors, on the other hand, argue that cultural, historical, and social forces govern human action to the point that individual agency cannot truly explain behavioral patterns. From this perspective, livelihood “strategies” are less the result of rational choices and actions than a reflection of power configurations and structural conditions. Structuralists ask whether selection between extremely limited options – for instance, starvation versus prostitution – truly represents a choice, contending that an emphasis on individual agency turns a blind eye to the historical, institutional, economic, and social conditions that people do not necessarily choose but that shape the ways they build their livelihoods. Analyzing livelihoods as outcomes of rational strategic decisions hence ignores how the factors that condition behavior are often cultural and ideological and not just a matter of individual personality or skill.

In response to such critiques, livelihood authors have underscored that, in order to comprehend livelihood choices and decision-making, it is vital to ascertain how these are framed by people’s own definitions and perceptions of wellbeing and poverty. Some, including Leo de Haan and Annelies Zoomers (2005), have advocated for the use of the term “livelihood pathways” in place of “strategies.” Rather than aiming to attain a preset goal, livelihood pathways highlight the iterative process through which a livelihood is fashioned, with goals,

preferences, and assets being continuously re-evaluated.

Defining sustainability for livelihoods

The term “sustainable livelihoods” itself has been critiqued by authors who question whether, despite its title, this approach actually attempts to integrate sustainability with other concerns. The main question regarding the literature’s notion of sustainability is its opacity regarding the relative importance of assets like capital stocks and livelihood strategies. Though the sustainable livelihoods approach lends valuable insights by considering sustainability in terms of combinations and substitutions between the five capitals, some questions – such as the degree to which livelihoods require the conservation of certain environmental features in order to be considered sustainable – remain unaddressed. Some aspects of otherwise sustainable livelihoods may indeed be negative, such as when a stable, “sustainable” form of social organization supports the maintenance of a status quo that perpetuates poverty. Scholars working within the sustainable livelihoods framework also acknowledge that strategies can be sustainable at certain scales and not others, and recognize the tensions between short- and long-term livelihood goals; they do not, however, clearly address how to manage these issues. Likewise, the sustainable livelihoods literature has still not sufficiently theorized the temporal aspects of sustainability.

Concluding thoughts

In considering these critiques, it should be noted that no one model alone can fully capture the totality and complexity of lived experience, poverty, and the environment, yet such research does usefully advance understandings

of livelihoods and sustainability among social scientists and development practitioners. Perhaps using what is gleaned from this important work alongside other approaches (such as political ecology, actor-oriented approaches, and gender studies) is the best way to draw on its strengths while addressing its weaknesses.

SEE ALSO: Human capital; Networks, social capital, and development; Participatory development; Power and development; Social capital; Sustainable development; Vulnerability

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Further reading

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