**Chapter one**

**Basic concepts of livelihood and food security**

**Livelihoods: origin, definition and concept**

Livelihood is defined as adequate stocks and flows of food and cash to meet basic needs. Security refers to secure ownership of, or access to, resource and income-earning activities, including reserves and assets to offset risk, ease shocks and meet contingencies. Sustainable refers to the maintenance or enhancement of resource productivity on a long term basis. A household may be enabled to gain sustainable livelihood security in many ways-through ownership of land, livestock or trees; rights to grazing, fishing, hunting or gathering; through stable employment with adequate remuneration; or through varied repertoires of activities.

According to Chamber and Conway (1992), a livelihood comprises the capabilities, assets including both material and social resources and activities required for a means of living.*A* sustainable livelihood is sustainable when it can cope with and recover from Stress and shock, maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.

A person's **livelihood** refers to their "means of securing the basic necessities -food, water, shelter and clothing- of life". Livelihood is defined as a set of activities, involving securing water, food, fodder, medicine, shelter, clothing and the capacity to acquire above necessities working either individually or as a group by using endowments (both human and material) for meeting the requirements of the self and his/her household on a sustainable basis with dignity. The activities are usually carried out repeatedly. For instance, a fisherman's livelihood depends on the availability and accessibility of fish.

According to Stage *et al.* (2002) household livelihood security is often influenced by the ability of the household to diversify livelihood sources and assets. This shows that the more livelihood strategy and asset (the bigger its capacity and asset) that have in the household are having a chance more secure livelihood than a household have less livelihood assets.

Livelihood **diversification** refers to a household's attempt to reduce its vulnerability by having more than one livelihood activity. In a diversified household, if one productive activity does not provide enough, or fails completely, there are other sources of livelihood that the household can fall back on. They use their different capabilities and the tangible and intangible assets and entitlements to which they have access as the basis for different livelihood sources and activities.

**Livelihood context:**

Livelihoods are formed within social, economic and political contexts. Institutions, processes and policies, such as markets, social norms, and land ownership policies affect our ability to access and use assets for a favorable outcome. As these contexts change they create new livelihood obstacles or opportunities. These include:

**Social relations***:* The way in which gender, ethnicity, culture, history, religion and kinship affect the livelihoods of different groups within a community.

**Social and political organization***:* Decision-making processes, civic bodies, social rules and norms, democracy, leadership, power and authority, rent-seeking behavior.

**Governance:**The form and quality of government systems including structure, power, efficiency and effectiveness, rights and representation.

**Service delivery***:* The effectiveness and responsiveness of state and private sector agencies engaged in delivery of services such as education, health, water and sanitation

**Resource access institutions***:* The social norms, customs and behaviors (or ‘rules of the game’) that define people’s access to resources

**Policy and policy processes***:* The processes by which policy and legislation is determined and implemented and their effects on people’s livelihoods.

Livelihoods are also shaped by the changing natural environment. The quality of soil, air and water; the climatic and geographic conditions; the availability of fauna and flora; and the frequency and intensity of natural hazards all influence livelihood decisions.

**Livelihood Interdependence**

One final important characteristic of livelihoods is their interdependence. Very few livelihoods exist in isolation. A given livelihood may rely on other livelihoods to access and exchange assets. Traders rely on farmers to produce goods, processors to prepare them, and consumers to buy them. Livelihoods also compete with each other for access to assets and markets. Thus positive and negative impacts on any given livelihood will, in turn, impact others. This is a particularly important consideration when planning livelihood assistance.

We consider livelihoods because more importantly, disaster affected populations have overwhelmingly identified livelihoods as their greatest recovery priority.

**Livelihood recovery**

Livelihood recovery is also a building process that takes place in a very dynamic environment. Livelihood strategies must be able to adapt or change altogether as the surrounding conditions change. Disaster assistance, across all sectors, also directly and indirectly impacts livelihood recovery, either enabling or impeding it.

**A phased Approach to Livelihood Programming**

**Livelihood provisioning***:* Livelihood provisioning is a set of relief based interventions that involve providing food and meeting other essential needs for households to maintain nutritional levels and save lives. Interventions of this type usually entail food and health relief for people in an emergency or people who are chronically vulnerable.

**Livelihood protection***:* Livelihood protection is a set of interventions that involve protecting household livelihood systems to prevent an erosion of productive assets and replacing or rebuilding productive assets. These types of interventions entail timely food and income transfers; infrastructure repair, rehabilitation, and improvements, carried out through food- or cash-for-work or some other means; and replacement of assets such as tools, boats and seeds.

**Livelihood promotion***:* Livelihood promotion is a set of development based interventions that involve improving the resilience of household livelihoods so that food and other basic needs can be met on a sustainable basis. Interventions of this type entail strategies such as diversifying livelihoods strategies; creating alternative income-generating activities; providing financial services, such as loans and insurance; and strengthening markets.

Different methods, capacities, resources and timeframes are required to achieve the different objectives of livelihood provisioning, protection, and promotion. Livelihood provisioning is a relief-based objective, which relies on swift response and the logistical capacity to deliver critical provisions. Livelihood protection is aligned with the recovery phase and requires careful and complex assessment and benefits from local contextual knowledge. Livelihood promotion is the transition from recovery efforts to development goals and requires the long term commitment of governments and other development actors.

**Issue 1: Enabling livelihood protection**

* Cash grants and material assistance
* Creating temporary income-earning opportunities
* Procuring local goods and services
* Using market chain analysis to reinvigorate markets

**Issue 2: Improving livelihood promotion**

* Engaging development actors in livelihood programming
* Building and strengthening micro-finance institutions
* Intervening in markets
* Ensuring economic and environmental sustainability

**Vulnerability, coping and sustainable livelihoods**

Vulnerability has been defined as a state of defenselessness, insecurity and exposure to risk, shocks and stress. It is different to poverty itself which refers to a lack or wants. In fact, there are two sides to vulnerability - externally, an individual or household may be subject to shocks or risk, while internally, the means to cope may be inadequate or non-existent.

The concept of 'livelihoods' usefully integrates poverty and vulnerability. A 'livelihood' may be defined as a level of wealth and of stocks and flows of food and cash which provide for physical and social well-being and security against becoming poorer. Poverty lines and other definitions of deprivation based only on flows (e.g. income), and not on assets or reserves which can be disposed of in emergencies e.g. sickness, drought, are less satisfactory. Assets such as land, trees, livestock etc. reduce vulnerability and act as buffers to “shocks”. As with aspects of nutrition such as the status of women and seasonality, for example, sustainable livelihoods should not merely be dealt with as an appendage to an analysis of deprivation - these are integral threads that are better understood as pervading all aspects of the problem.

The strength of a given livelihood is not only measured by its productive outcomes, but equally by its resilience to shocks, seasonal changes and trends. Shocks might include natural disasters, wars, and economic downturns. Availability of resources, income-generating opportunities, and demand for certain products and services may fluctuate seasonally. More gradual and often predictable, trends in politics and governance, technology use, economics, and availability of natural resources, can pose serious obstacles to the future of many livelihoods. These changes impact the availability of assets and the opportunities to transform those assets into a “living”. Under such conditions, people must adapt existing strategies or develop new strategies in order to survive.

**Basic concepts of Food Security**

Food security is defined as the availability of food and one's access to it. A household is considered food secure when its occupants do not live in hunger or fear of starvation. Stages of food insecurity range from food secure situations to full-scale famine. It is also defined as when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life. Food security also broadly refers to the ability of individuals to obtain sufficient food on a day-to-day basis. The USAID (1992) defined food security as *When all people, at all times, have physical and economic access to sufficient, safe, and nutritious food to meet their dietary needs and food preferences for an active and healthy life.* People who do not satisfy the conditions in this definition are considered food insecure. Food insecurityexists when people do not have adequate physical, social or economic access to food as defined above.

Within the context of this definition, food security has four primary components: ‘food availability,’ ‘food access,’ ‘food utilization’ and ‘Food stability’.

**Food Availability**

Availability refers to the physical existence of food, whether from the household’s own farm or garden production or from domestic or international markets. It is defined by USAID (1992) as when: *“Sufficient quantities of appropriate, necessary types of food from domestic production, commercial imports, commercial aid programs, or food stocks are consistently available to individuals or within their reach.”*

Food availability is a function of domestic food stocks, commercial food imports, and food aid, in addition to the underlying determinants of these factors, including macro-economic trends and events, government policies, the functioning of international and domestic markets, and the state of the physical economic infrastructure.

**Food Access**

Access refers to the resources individuals have at hand to obtain appropriate foods for a nutritious diet. It is defined by USAID (1992) as when: *“Individuals have adequate assets or incomes to produce, purchase, or barter to obtain levels of appropriate foods needed to maintain consumption of an adequate diet/nutrition level.”*

Individuals obtain food through (1) own food production and consumption (including wild food gathering), (2) purchases in the market place, or (3) in-kind transfers or loans from relatives, members of the community, the government, or foreign donors private citizens. An individual’s ability to access food from these sources is in turn determined by their asset endowment and by the social, economic, policy, physical, and natural environments, which define the set of productive activities they can pursue in meeting their income and food security objectives. Food access is also influenced by the aggregate availability of food through the latter’s impact on supply and, therefore, prices in the market.

**Food Utilization**

Utilization refers broadly to the actual food that is consumed by individuals; how it is stored, prepared, and consumed; and what nutritional benefits the individual derives from consumption. It is defined by USAID (1992) as when: *“Food is properly used; proper food processing and storage techniques are used; adequate knowledge of nutrition and child care techniques exist and are applied; and adequate health and sanitation services exist.”*

Food utilization has both a socio-economic and biological dimension. The socio-economic dimension refers to decisions related to what food is consumed and how the food is allocated within the household. Both decisions in turn are influenced by intra-household dynamics and social customs/taboos. Depending on these factors, individuals within households may have access to food but still suffer from food insecurity. Women and children are particularly more likely to suffer from food insecurity because of their relatively limited control over assets and relatively weak intra-household bargaining power. (This is addressed in further depth below.)

The biological dimension of food utilization refers to the ability of the human body to take food and transform it into energy for daily activities or to store it for future energy needs. Food utilization interacts in complex ways with diet, nutritional status, the functioning of the immune system, and health and hygiene practices. In this context, food utilization requires a healthy diet, a healthy body, and a healthy physical environment, including safe drinking water and hygienic sanitary conditions. It also requires a practical understanding of proper health care, food storage, food preparation, and feeding practices, along with the associated behaviors.

While important for its own sake as a determinant of human well-being, food utilization also has feedback effects through its impact on the health and nutrition on individuals and thus on their labor productivity and income-earning potential.

**Food Stability**

Food stability is the fourth component of food security that cuts across the other three. Stability refers to the temporal dimension, or time-frame, of food security as implied by the wording *“at all times”* in the USAID definition of food security. Stability is defined as, *“The ability to access and utilize appropriate levels of nutritious food over time.”*

An important distinction is made between chronic food insecurity and transitory food insecurity. *Chronic food insecurity* is the long-term or persistent inability to meet food needs, whereas transitory food insecurity is a short-term food deficit. *Transitory food security* is sometimes divided into two sub-categories: cyclical food security and temporary food insecurity. Cyclical (or seasonal) food insecurity occurs on a routine or predictable basis, for example, the ‘lean season’ that occurs in the period just before the harvest. Temporary food insecurity occurs for a limited time due to unforeseen and unpredictable circumstances.

Two common definitions of food security come from the United States Department of Agriculture (USDA), and the UN's Food and Agriculture Organization (FAO):

* Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. (FAO)
* Food security for a household means access by all members at all times to enough food for an active, healthy life. Food security includes at a minimum, (USDA):
* The ready availability of nutritionally adequate and safe foods
* An assured ability to acquire acceptable foods in socially acceptable ways (that is, without resorting to emergency food supplies, scavenging, stealing, or other coping strategies).

**Livelihood and food security**

The relationship between livelihoods and food security is complex and is influenced by a wide variety of factors that vary in importance across contexts and over time. Clarifying these factors, and the pathways through which they influence household livelihood and food security, would serve a number of purposes. Among them, it would help donors and development practitioners formulate research questions, identify livelihood and food security indicators, make sense of research findings and practical experience, and improve intervention designs.

In practice, livelihood security and food security are linked in a bi-direction relationship. Food production constitutes one of the most basic livelihood activities, and can be a critical source of food access, particularly for rural households. The household’s ability to purchase food in the marketplace is another critical determinant of food access, which in turn depends on the household’s ability to generate income. Research indicates, moreover, that many of the food insecure in developing countries, even among so-called subsistence farming groups, are net purchasers of food, reinforcing the critical role of income generation in determining food access.

It is noted that the primary cause of food insecurity is the continued lack of economic opportunity to produce adequate amounts of food or to obtain sufficient income to purchase adequate amounts of food. As incomes rise, poor households spend more on food (although proportionately less than the increase in income), purchase a more diverse variety of foods, and shift to higher quality foods with greater nutritional value. A household’s livelihood activities, moreover, enable it to manage risks, cope with stresses and shocks, and build or replenish assets, all important determinants of household food security.

The household’s livelihood security in turn is affected by its food security. Households with poor food access and/or poor food utilization tend to suffer more from illness or other physical debilitations thereby impairing their labor productivity and/or their ability to engage in livelihood activities.

**Climate Change and Food Security**

**Agriculture, climate and food security**

Agriculture is important for food security in two ways: it produces the food people eat; and (perhaps even more important) it provides the primary source of livelihood for 36 percent of the world’s total workforce. In the heavily populated countries of Asia and the Pacific, this share ranges from 40 to 50 percent, and in sub-Saharan Africa, two-thirds of the working population still make their living from agriculture (ILO, 2007). If agricultural production in the low-income developing countries of Asia and Africa is adversely affected by climate change, the livelihoods of large numbers of the rural poor will be put at risk and their vulnerability to food insecurity increased.

Agriculture, forestry and fisheries are all sensitive to climate. Their production processes are therefore likely to be affected by climate change. In general, impacts are expected to be positive in temperate regions and negative in tropical ones, but there is still uncertainly about how projected changes will play out at the local level, and potential impacts may be altered by the adoption of risk management measures and adaptation strategies that strengthen preparedness and resilience.

The food security implications of changes in agricultural production patterns and performance are of two kinds:

* Impacts on the production of food will affect food supply at the global and local levels. Globally, higher yields in temperate regions could offset lower yields in tropical regions. However, in many low-income countries with limited financial capacity to trade and high dependence on their own production to cover food requirements, it may not be possible to offset declines in local supply without increasing reliance on food aid.
* Impacts on all forms of agricultural production will affect livelihoods and access to food. Producer groups that are less able to deal with climate change, such as the rural poor in developing countries, risk having their safety and welfare compromised.

Other food system processes, such as food processing, distribution, acquisition, preparation and consumption, are as important for food security as food and agricultural production are. Technological advances and the development of long-distance marketing chains that move produce and packaged foods throughout the world at high speed and relatively low cost have made overall food system performance far less dependent on climate than it was 200 years ago.

However, as the frequency and intensity of severe weather increase, there is a growing risk of storm damage to transport and distribution infrastructure, with consequent disruption of food supply chains. The rising cost of energy and the need to reduce fossil fuel usage along the food chain have led to a new calculus – “food miles”, which should be kept as low as possible to reduce emissions. These factors could result in more local responsibility for food security, which needs to be considered in the formulation of adaptation strategies for people who are currently vulnerable or who could become so within the foreseeable future.

Food systems exist in the biosphere, along with all other manifestations of human activity. some of the significant changes in the biosphere that are expected to result from global warming will occur in the more distant future, as a consequence of changes in average weather conditions. the most likely scenarios of climate change indicate that increases in weather variability and the incidence of extreme weather events will be particularly significant now and in the immediate future.

Evidence indicates that more frequent and more intense extreme weather events (droughts, heat and cold waves, heavy storms, floods), rising sea levels and increasing irregularities in seasonal rainfall patterns (including flooding) are already having immediate impacts on not only food production, but also food distribution infrastructure, incidence of food emergencies, livelihood assets and human health in both rural and urban areas.

**Climate change and food security in Ethiopia**

Food insecurity in Ethiopia derives directly from dependence on undiversified livelihoods based on low-input, low-output rain fed agriculture. Ethiopian farmers do not produce enough food even in good rainfall years to meet consumption requirements. Given the fragile natural resource base and climatic uncertainty, current policy emphases on agricultural intensification are misguided, while institutional constraints such as inflexible land tenure and ethnic federalism perpetuate this unviable livelihood system. Inappropriate food aid interventions by donors add another layer of dependence, at both household and national levels.

Recommendations for immediate action include improved food aid targeting and safety nets programming. Medium-term interventions focus on re capitalization of asset less households, plus agricultural yield stabilization. Long-term strategies must involve diversification away from rainfall-dependent livelihoods.

Perhaps the greatest challenge that the country faces is that of ensuring food security. This is so because of the low technological base of agriculture, limited rural infrastructure and off-farm employment compounded by neglect and inappropriate policies over many years. The food security strategy, whose implementation has begun, is meant to break the complex problems to close the food gap and ensure food security.

Food insecurity incorporates low food intake, variable access to food, and vulnerability – a livelihood strategy that generates adequate food in good times but is not resilient against shocks. These outcomes correspond broadly to chronic, cyclical and transitory food insecurity, and all are endemic in Ethiopia. The main triggers of transitory food insecurity in Ethiopia are drought and war. Seasonality is a major cause of cyclical food insecurity.

Structural factors contributing to chronic food insecurity include poverty (as both cause and consequence), the fragile natural resource base, weak institutions (notably markets and land tenure) and unhelpful or inconsistent government policies. Ethiopia has been structurally food deficit since at least 1980. The food gap rose from 0.75 million tons in 1979/80 to 5 million tons in 1993/94, falling to 2.6 million tons in 1995/96 despite a record harvest (Befekadu and Berhanu 2000:176). Even in that year, 240,000 tons of food aid was delivered, suggesting that chronic food insecurity afflicts millions of Ethiopians in the absence of transitory production shocks.

The distinction between transitory and chronic food insecurity is increasingly blurred. A subgroup of virtually asset less rural Ethiopians is emerging who are subjected to all forms of food insecurity. They cannot meet their food needs even under ideal weather conditions, they suffer seasonal hunger and malnutrition, and they are acutely vulnerable to famine in years of low or erratic rainfall. Less well understood than the immediate impact of drought on rural livelihoods is the impact of repeated droughts on long term food insecurity. Two vicious cycles are at work: recovery (e.g. of herds) from food crises is cut short by the next drought, and the threat of drought - which occurs frequently but is unpredictable in its timing and severity - inhibits investment in productivity-enhancing agricultural inputs, because the downside risk for marginal farmers is too high.

Current conventional wisdom on food insecurity in Ethiopia asserts that the problem can be simply conceptualized, as follows:

* Landholdings are too small - although (or because) unusually evenly distributed - to allow most farming households to achieve food production self-sufficiency;
* Population increase reduces landholdings further and places intolerable stress on an already fragile natural resource base;
* Soil fertility, already very low, is declining due to intensive cultivation and limited application of yield-enhancing inputs;
* Recurrent droughts add food production shocks to abnormally low yields;
* Limited off-farm employment opportunities restrict diversification and migration options, leaving people trapped in increasingly unviable agriculture.

**Livelihood strategies and food insecurity**

Rural livelihood strategies include agricultural intensification (increasing farm size) and intensification (raising farm yields), income diversification (off-farm economic activities), and migration. This section examines three dominant livelihood activities in Ethiopia: agriculture, income diversification, and pastoralist.

**Agriculture**

The agricultural sector remains our Achilles heel and source of vulnerability. … Nonetheless, we remain convinced that agricultural based development remains the only source of hope for Ethiopia.” Meles Zenawi, Prime Minister of Ethiopia, April 2000

Even by African standards, Ethiopia’s economy is dominated by smallholder agriculture, which employed 89% of the labour force and contributed 56% of GDP and 67% of export earnings in 1997. Rural Ethiopia is also unusually undifferentiated: small farmers account for over 90% of total crop area and agricultural output (Bollinger et al. 1999:3). Food production in Ethiopia is highly variable and unpredictable, due mainly to erratic weather, which has triggered famines for centuries. A 10% decline in rainfall below its long-term average reduces national food production by 4.4% (von Braun 1991). Since the last major famine in 1984/5 - when excess mortality may have reached one million – droughts have affected northern Ethiopia in 1987/8, 1990/2 and 1993/4, and southern Ethiopia since 1998. Some droughts were exacerbated by civil conflict, which undermined food production and inhibited government, trader and donor responses to harvest failure.

Dependence on unreliable and low-productivity rain fed agriculture may well be the primary determinant of household food insecurity in Ethiopia. Arguments that centre on enhancing access to agricultural inputs - fertilizers, draught oxen - implicitly assume that household food security can be achieved by increasing food production on individual farms. The productivity of Ethiopian agriculture is among the lowest in the world -around 1.2 tons per hectare (World Bank 1999:).

**Income diversification**

Most Ethiopians are ‘sub-subsistence farmers’ who have been forced to diversify into off-farm incomes to bridge their annual consumption gap, while some are effectively landless and depend entirely on non-agricultural sources of food and income, including food aid. The typical rural livelihood strategy combines crop and livestock agriculture, off-farm income-generating activities (daily labour, petty trading, seasonal migration) and dependence on food aid (mostly delivered with a work requirement). The main problem with available off-farm economic activities, apart from their low returns, is that most are directly or indirectly affected by rainfall, which limits their risk-spreading potential. In areas where farming is unable to generate viable livelihoods, and this cannot be solved through land redistribution or intensification, the solution is not to focus policy attention on agriculture, but to promote non-covariate non-agricultural livelihood options.

Off-farm employment opportunities in rural Ethiopia are limited in both availability and income-generating potential. Only 44% of rural households surveyed by the Ministry of Labour in 1996 reported any non-agricultural sources of income, and these contributed only 10% to household income.

Human capital is extremely low in Ethiopia, which is both a cause and a consequence of food insecurity, due to adverse synergies between poor education, health and nutrition status, and labour productivity. Illiteracy constrains access to skilled and semi-skilled off farm employment - literacy rates in Ethiopia are just 36% for males and 17% for females (CSA 1999:91) - perpetuating dependence on low-input, low-output agriculture. Ethiopian children display some of the highest malnutrition levels in the world - 55% being stunted and 45% underweight in 1998 (CSA 1999:135) - which undoubtedly affects their cognitive development.

One possible solution to unviable livelihoods in rural areas is to move, either to urban areas or to farm in parts of the country where arable land is available. In Ethiopia, both these options are problematic. Employment opportunities in towns are very limited, and there is little investment in job creation by government or by local or foreign investors.

**Pastoralism**

Ethiopia’s ±3.4 million pastoralists constitute roughly 7% of the population. Most live in the lowland areas of Afar (29%) and Somali (53%) regions, with smaller numbers in Oromiya and SNNPR (Sandford and Johannes 2000). Many pastoralist communities have become partially sedentarised in response to recurrent droughts, livestock disease, encroachment by cultivators, rangeland de vegetation and degradation, and rangeland enclosure for dam construction, state farms or national parks. “[M]any people no longer have the livestock holdings to sustain a purely pastoral existence” (Holt and Lawrence 1991). Livestock income is supplemented with vegetable and cereals production, mainly around springs that provide small-scale irrigation. But adding crop farming to livestock rearing has limited risk diversification advantages, and should therefore be interpreted as distress diversification in the face of an increasingly unviable livelihood strategy.

The shift from nomadic pastoralism to sedentarised agropastoralism accelerated after the succession of droughts and famine that have decimated livestock herds since the 1970s. Including mortality, sales and slaughter, cattle herds were reduced by an estimated 72% in Afar region during the 1972/4 drought famine, by 60% in Borena during the 1984/5 famine, and by 78% in Somali and Borena areas during the 1995/7 drought (Sandford and Yohannes 2000:6). The cumulative effect of these shocks was to reduce herd sizes below levels that pastoralists consider viable to meet their food and cash needs and to reconstitute the herd. When the present drought started in southern Ethiopia in early 1998, herds had had no time to recover following the 1995/7 drought.

**Chapter Two**

**The concept of sustainable livelihoods**

Sustainable livelihood is a systemic and adaptive approach that links issues of poverty reduction, sustainability and empowerment processes (e.g., participation, gender empowerment, and good governance). The attractiveness of SL lies in its applicability to different contexts, situations of uncertainty and in its capacity as a consultative and participatory process for the cross-fertilization of ideas and strategies between various stakeholders. Those living in extreme poverty and outside the formal labor market, for example, constantly improvise their livelihood strategies due to high uncertainty and limited options. A subsistence farmer in the off-season or during drought becomes a wage laborer and could later revert back to farming when it is time to plough the field. In a similar vein, we find that job security in the traditional sense seems to be decreasing in the modern/formal/urban sectors and people are changing jobs several times in their life time. The SL approach has the flexibility to tap into such kinds of adaptive responses and utilize them as entry points for policy making.

A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable if it is able cope with and recover from stress and shocks, maintain and 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 in the long and short term.

This definition acknowledges that securing a livelihood can be complex and may necessitate access to health care, education, land and other natural resources (especially for the rural poor), and even services that secure one’s legal rights to employment and wages or otherwise. Rather than being a stand-alone definition that provides clarity, however, this is more of a concise description of various inter-related components, concepts and dynamics. Because of its implied complexity, it must be broken-down to be properly understood and truly defined. The components are as follows (Chambers and Conway):

* + **“Capabilities**: what a person or household is capable of doing and being...5 Livelihood capabilities comprise the ability to gain a livelihood, including abilities to cope with stress and shocks, to be dynamically adaptable, and to explore and exploit opportunities.”
  + **“Assets**: resources and stores (tangible assets), and claims and access (intangible assets) [or, material and social means, respectively], which a person or household commands and can use towards a livelihood.”
* **“Resources**: include land, water, trees, and livestock; and farm equipment, tools, and domestic utensils. Assets are often both stores and resources, as with livestock, trees and savings.”
* **“Stores**: include food stocks, stores of value such as gold, jewellery and woven textiles, and cash savings in banks of thrift and credit schemes.” (7)
* **Access**: opportunity in practice to use a resource, store or service, or to obtain information, material, technology, employment, food or income.
* **Claims**: demands and appeals which can be made for material, moral or other practical support or access. Claims are based on combinations of right, precedent, social convention, moral obligation, and power.

The idea is that livelihoods realistically require effective use, maintenance and enhancement of assets and capabilities (assets and capabilities are also commonly referred to as capital: human, social, natural, physical, financial, political).

**Livelihood sustainability (or security)**: the ability of a household to adopt a livelihood that can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets now and in the future without undermining the natural resource base.

Chambers and Conway define shocks and stresses as follows:

**“Shocks** are impacts which are typically sudden, unpredictable, and traumatic, such as fires, floods, storms, epidemics, thefts, civil disorder, and wars. Contrasts [with] stresses.” (25) [bold added]

**“Stresses** are pressures which are typically cumulative, predictable, and variously continuous or cyclical, such as seasonal shortages, rising populations, declining soil fertility, and air pollution. Contrast [with] shocks” (26) [bold added]

This definition seems to contain three challenging components: 1.) an ability to have a strong, resilient livelihood, 2.) across time (now and in the future), 3.) while being environmentally responsible. In addition, Chambers and Conway highlight “equity” as a critical component and core value of the sustainable livelihoods definition and define it quite broadly also:

**“Equity…** [implies] a less unequal distribution of assets, capabilities and opportunities and especially enhancement of those of the most deprived. It includes an end to discrimination against women, against miniorities, and against all who are weak, and an end to urban and rural poverty and deprivation.”

Sustainable livelihoods are derived from people's capacity to make a living by surviving shocks and stress and improve their material condition without jeopardizing the livelihood options of other people's, either now or in the future. This requires reliance on both capabilities and assets (i.e., stores, resources, claims and accesses) for a means of living. A livelihood is sustainable if it can cope with, recover from and adapt to stresses and shocks, maintain and enhance its capabilities and assets, and enhance opportunities for the next generation. The primary focus of the sustainable livelihood approach is on the household, specifically the ways in which the household uses its assets to undertake a range of livelihood activities and to ensure its livelihood security.

Assessing livelihood sustainability from an SLA perspective can also be approached by looking at the following **systems** of sustainability that are discussed more widely in other development circles. These concepts are either explicitly or implicitly referenced within the livelihood sustainability definition above:

• **Environmental sustainability**: maintaining or enhancing natural resource productivity and potentials (including net benefits in terms of livelihood assets and opportunities) for future generations. (adapted from Chambers and Conway; DFIDb)

• **Economic sustainability**: the maintaining and sustaining of a given level of expenditure over time (such as meeting a baseline of economic welfare; such a level can be situation-specific). (DFIDb)

• **Institutional sustainability**: the ability of prevailaing structures and processes to continue functioning over the long term and contribute to the continuous improvement of the livelihoods of the poor. (DFIDb)

• **“Social sustainability**: the ability of a human unit (individual, houehold or family) to cope with and recover from stresses and shocks, to adapt to and exploit changes in its physical, social and economic environment, and to maintain and enhance capabilities for future generations” (Chambers and Conway). Social exclusion is minimized while equity is maximized (DFIDb). (Social dynamics such as gender relations and networks should be taken into account.)

As originally presented by Chambers and Conway, SLAs should have a livelihoods strategy that supports (ie., meets or exceeds the “maintaining” standard) as many of these systems as is practicable as each pertains to part of the definition of sustainable livelihoods. While social and environmental (esp. local) sustainability are emphasized the most in SLA discourse, they are dependent to some extent on economic and institutional sustainability. All systems are intricately connected and context-specific. Impacts in each sustainability system must be considered in order to truly estimate the net loss or gain for that system and for livelihood sustainability overall. If, for example, increased farming opportunities lead to soil erosion or to serious health hazards due to unsafe pesticide use, the activities would be deemed environmentally, and perhaps economically and socially unsustainable despite any short-term increase in jobs or incomes. It could also be institutionally unsustainable if any increase in government safety and health inspections occurs by depriving other sectors in need of inspections or existing resources. Moreover, if corruption impedes the occurrence or effectiveness of inspections, resulting in a system of bribes or deprivation of workers wages or other rights, this would be economically unsustainable for the workers. SLAs aim to consider all these components of an intervention by taking a local, holistic, and context-specific perspective.

In brief, the terms “livelihood” and “livelihood sustainability” as used by SLAs reflect a broad, multidimensional definition and scope for development interventions that reflect the principles of the World Commission on Environment and Development. For clarity, the livelihood sustainability definition attempts to include the *ideal* array of components that development efforts should address and *it is this all-encompassing idealism that is perhaps the heart of what makes the SLA unique*. However, SLAs are intended to be applied flexibly so there could be a tendency for some agencies to gravitate towards or emphasize certain sustainability systems more than others. The policies and programs could in reality reflect widely differing aims or levels of sustainability, thus diluting the heart of the SLA. Finally, because the key terms above are used by other approaches but with narrower meanings, the words should be used carefully to avoid misunderstandings in policy and program circles.

**Sustainable livelihoods framework**

In this framework households use their assets and capabilities to engage in many different strategies to try to secure their livelihoods. The more diversification there is in the livelihood strategies of a household, the more secure it is likely to be. The different livelihood strategies have different outcomes, and they may be more or less sustainable. More desirable livelihood outcomes vary from household to household but increased well-being is usually a high priority.

When a household is able to achieve a desired livelihood outcome, this has a positive impact on its assets and capabilities (its assets and capabilities improve). When livelihood activities have undesirable outcomes, these have a negative influence on a household’s assets and capabilities. Local livelihood activities are affected by factors in the external (macro) environment on the local, national and international levels. The external environment includes physical environment, the social environment, the political/institutional environment and the economic environment. The physical environment includes the built environment (for example, buildings, roads and water pipes) and the natural environment (for example, earth, water and plants). These factors can help households to engage in sustainable livelihood strategies by having an enabling influence. They can also undermine livelihood sustainability through shocks and stresses. In the same way that the external environment affects households, households affect the external environment. These influences can be positive or negative.

It is possible for a household activity to improve the well-being of the household on an individual level, while having a negative impact on the external environment. For example, a household may cut wood to sell for cash income. If this activity is done unsustainably, this will destroy the natural resource base and undermine the livelihoods of many other people.

**Vulnerability Context**

*Shocks & Stresses*

Economic

Natural

Health

Social

Political

*Level of Vulnerability*

Risk Exposure

Resilience

Sensitivity

Institutional Structures & Processes

*Structures*

Levels of Government

Private Sector

Civil Society

*Processes*

Laws

Policies

Culture

Social Institutions

Natural Assets

Political Assets

Financial

Assets

Physical Assets

Social Assets

Human Assets

Influence & Access

LIVELIHOODSTRATEGIES

Income Generating Activities

Risk Reduction Strategies

Loss Management (Coping) Strategies

LIVELIHOOD OUTCOMES

Nutritional Security

Food Security

Income Security

Education Security

Health Security

Habitat Security

Social Network Security

Personal Safety

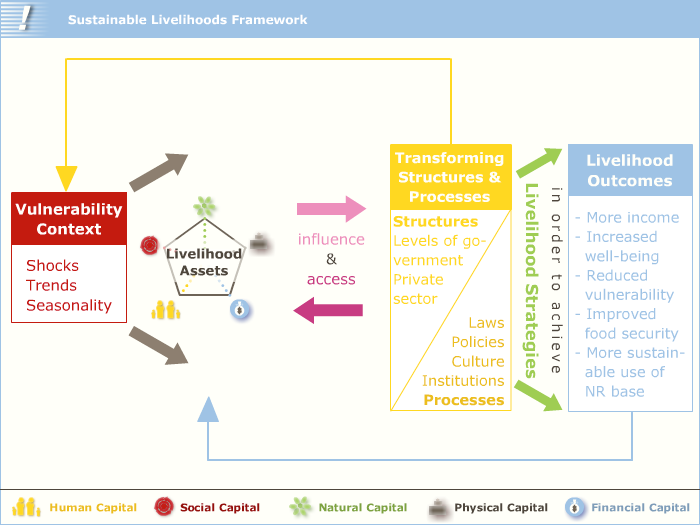
Environmental Security

Life Skills Capacity

In order to achieve

**Fig 1; Household livelihood framework**

Adapted from DFID (1999) and CARE (2002)



**Data Source:** DFID (British Department for International Development) (2000)

The arrows in the framework try to show how the different elements ‘all of which are highly dynamic’interrelate and influence one another. The framework is informed by certain core concepts. It is people-centered in the sense that it advocates that:

* + Development policy and practice should flow from an understanding of the poor and their livelihoods strategies
  + The poor should directly contribute to determining development priorities and be able to influence the institutions and process that impact on their lives.

The relationship between people and the asset base is at the core of the framework. The household triangle of assets, capabilities and activities lies inside a rectangle which represents earth, the natural resources, and the range of other on- and off-farm resources that people can draw on. People transform their assets and capabilities into livelihood strategies that will meet particular livelihood outcomes. Around the central rectangle is a second rectangle which represents livelihoods outcomes. The more successful the household’s livelihood strategies are, the better the livelihoods outcomes will be.

These livelihood outcomes may include greater equity, more income, increased well-being, reduced vulnerability, improved food security and more sustainable use of the natural resource base. Diversification is part of a good livelihood strategy so that the household does not depend on only a few strategies for its survival. More diversification and more sustainable livelihood activities will result in better and better livelihood outcomes.

**Elements of the Framework**

**Vulnerability context**

How well a household can draw on its assets to pursue its diverse livelihood activities depends on its vulnerability context. Vulnerability refers to a household’s susceptibility to a future acute loss and its capacity to maintain its livelihood and food security over time. Vulnerability is defined as: “the household’s susceptibility to shocks and stresses that affect the household’s ability to generate sufficient income to earn a livelihood and achieve a threshold level of nutritional requirements for a healthy life both now and in the future.” Vulnerability is a day-to-day reality for many households.

Vulnerability emerges when human beings have to face harmful threat or shock with inadequate capacity to respond effectively. The difference between *risk* and *vulnerability* is of crucial relevance for assessing causes of poverty. Risk is defined as the likelihood of occurrence of (external) shocks and stresses plus their potential severity, whereas vulnerability is the degree of exposure to risk (hazard, shock) and uncertainty, and the capacity of households or individuals to prevent, mitigate or cope with risk.

The household’s vulnerability context is influenced by factors both outside of and within its control. Those outside its control include stresses and shocks as well as external structures and processes. Structures and processes include factors like the public and private sectors, civil society, laws, policies, culture, and social institutions that affect how households accumulate and utilize assets.

Stresses are long-term trends or recurring events that put ongoing pressure on the household’s livelihood and food security. In contrast, shocks are unanticipated (and often dramatic) adverse events that undermine the household’s livelihood and food security. Stresses and shocks emanate from a variety of sources in the economic, natural, health, political, and social environments. E.g. HIV/AIDS is a distressingly common and particularly severe source of stress and/or shocks.

Because of its unique nature, and also because of its importance to both livelihood and food security, Three household characteristics determine its vulnerability to shocks and stresses: ‘risk exposure,’ ‘resilience,’ and ‘sensitivity.’ Risk exposure refers to the likelihood of a stress or shock and the magnitude of its consequences. Shocks and stresses often cannot be prevented, and if they occur, can generate adverse impacts on households in both predictable and unpredictable ways. Given the persistence and potential seriousness of such risks, much of a household’s economic activities are aimed at managing them.

Resilience refers to the household’s capacity to recover from stresses and shocks. Resilient households tend to absorb stresses and shocks without serious modifications reverting relatively quickly to their previous state after the effects have passed. Sensitivity refers to the magnitude of change set in motion by the stress or shock. The more sensitive the household is, the greater the adverse impact of a stress or shock on its livelihood and food security.

Household resiliency can be explained in terms of household strategies to reduce risk *ex ante* and to manage loss *ex post*. Risk reduction strategies include choosing low-risk income generating activities that earn modest but steady returns, diversifying household income generating activities, and building protective assets.

**Choosing low-risk, low-return income generating activities** that have a lower probability of failure frees up resources for household consumption. Households with greater risk exposure tend to select low-risk income generating activities. Low-risk income generating activities are typically less profitable than higher-risk activities and contribute less to building the household’s asset endowment.

**Diversifying income generating activities** tends to smooth household income, particularly when some activities are seasonal, thereby reducing the household’s risk exposure.

**Building protective assets** serves as self-insurance mechanisms by which households set aside a calculated amount of money or store of value to compensate for potential future loss.

**Livelihood assets**

Assets may be tangible, such as food stores and cash savings, as well as trees, land, livestock, tools, and other resources. Assets may also be intangible such as claims one can make for food, work, and assistance as well as access to materials, information, education, health services and employment opportunities. As the livelihoods approach is concerned first and foremost with people, it seeks to gain an accurate and realistic understanding of people’s strengths (here called “assets” or “capitals”). It is crucial to analyze how people endeavor to convert these strengths into positive livelihood outcomes. Assets represent the stock of resources on which households can draw to generate income, meet their basic needs, manage risk, and cope with stresses and shocks. A larger asset base generally translates into greater livelihood opportunities and greater livelihood security. The approach is founded on a belief that people require a range of assets to achieve positive livelihood outcomes. Therefore the SLF identifies five types of assets or capitals upon which livelihoods are built, namely *human capital, social capital, natural capital, physical capital* and *financial capita and* sometimes *political*.

**Human assets** refer to the livelihood knowledge and capabilities possessed by individuals, in addition to the intangible character traits (ambition, drive, persistence, etc.) and health status that determine how effectively individuals apply their knowledge and capabilities to livelihood activities. Critical determinants of human assets include individuals’ access to education and training, health services, sanitation, clean water, and adequate amounts of nutritious food.

**Physical assets** include the physical economic infrastructure along with the household’s productive and other assets that enable the household to pursue its livelihood. The physical economic infrastructure includes, among other things, roads, rail networks, communication facilities, ports, etc. The household’s productive assets include land, machinery, tools, and draft animals. Other household physical assets include moveable assets that can be converted into cash or exchanged for goods or services, such as jewelry, furniture, electronics, appliances, or animals.

**Social assets** are commonly referred to as **social capital**. Social capital is generated by the household’s connections in a social network, and the trust, reciprocity, and resource-sharing qualities of those connections. It can be activated by households to gain social support or social leverage, or by communities to facilitate organization and collective action. Social capital is a resource in which households can invest with the expectation of a future flow of benefits. Social capital is commonly viewed as a positive resource, but can become negative when used to exclude outsiders, impose social sanctions, or advance special interests that are detrimental to the greater good.

**Financial assets** are financial resources that are available to the household and include savings, credit, insurance, remittances, pensions, cash transfers from social welfare programs, and assets held as a store of value, such as livestock or jewelry.1 To act as a store of value, assets must be able to be saved and retrieved at a later time and have a predictable value when liquidated or exchanged.

**Natural assets** include the physical environment and the natural resource stocks that can be controlled by the household and used to expand or enhance livelihoods. Natural assets include land, water, wildlife, biodiversity, and forests.

**Political assets** are defined as the ability to use power to further political or economic positions, which in turn affects livelihood options and outcomes (Baumann and Sinha, 2001). They refer to the legitimate distribution of rights and power, and how illicit operations of power can frustrate efforts of households to access and defend entitlements. Illicit use of political power by state officials and community elites can divert significant resources away from vulnerable households.

Another useful way to think about livelihood assets is to differentiate between ‘productive assets’ and ‘protective assets.’ Productive assets are physical assets that increase the household’s labor productivity and production thereby enabling it to increase its income and food security over time. Protective assets include physical, financial, and social assets that can readily be converted into cash or goods in time of need. Figure 3 shows common types of protective and productive assets

**Protective Assets**

* Cash on hand
* Cash saved in formal financial institutions (banks, credit unions), semi-formal institutions (MFIs), or via informal mechanisms (RoSCAs, ASCAs, VSLs)
* Assets held as a store of value (e.g. livestock, jewelry, seed or grain, land)
* Moveable household assets (e.g., TVs, radios, furniture, clothing)
* Social capital

**Productive Assets**

* Agricultural land
* Tools and equipment
* Dairy and draft animals
* Rental properties
* Household Assets and Food Security

|  |  |  |
| --- | --- | --- |
|  | Food secure households | Food insecure households |
| Uses small proportion of available assets | Best off | Not too difficult to improve |
| Uses a large proportion of available assets | Food secure, but at great risk | Worst off |

Fig 1: Taken from Jonsson and Toole (1991)

The household’s asset endowment affects the household’s food security indirectly through its effect on livelihood activities and outcomes and directly by the proportion of household assets used to secure access to food. As seen there, the best off households are those that have achieved high levels of food security while using only a relatively small share of their available assets. In contrast, the most food insecure households fail to achieve adequate access to food despite devoting a large share of their available assets to food.

**Policies, Institutions and Processes**

The importance of policies, institutions and processes cannot be overemphasized, because they operate at all levels, from the household to the international arena, and in all spheres, from the most private to the most public. They effectively determine *access* (to various types of capital, to livelihood strategies and to decision-making bodies and source of influence), *terms of exchange* between different types of capitals, and *returns* to any given livelihood strategy (DFID, 2000).

Policies, institutions and processes have a direct impact upon weather people are able to achieve a feeling of inclusion and well-being. Because culture is included in this area they also count for other ‘unexplained’ differences in the ‘way things are done’ in different societies. Policies, institutions and processes can determine access to assets and influence decision making processes.

**Livelihood Strategies**

How people access and use these assets, within the aforementioned social, economic, political and environmental contexts, form a livelihood strategy. The range and diversity of livelihood strategies are enormous. An individual may take on several activities to meet his/her needs. One or many individuals may engage in activities that contribute to a collective livelihood strategy. Within households, individuals often take on different responsibilities to enable the sustenance and growth of the family. In some cultures, this grouping may expand to a small community, in which individuals work together to meet the needs of the entire group.

Livelihood strategies comprise the range and combination of activities and choices that people make/undertake in order to achieve their livelihood goals. It should be understood as a dynamic process in which people combine activities to meet their various needs at different times. Different members of a household might live and work at different places, temporarily or permanent. Livelihood strategies are directly dependent on asset status and policies, institutions and processes. Hence that poor people compete and that the livelihood strategy of one household might have an impact (positive or negative) on the livelihood strategy of another household.

**Livelihood Outcomes**

Livelihood outcomes are the achievements or outputs of livelihood strategies, such as more income, increased well-being, reduce vulnerability, improved food security and a more sustainable use of natural resources. When thinking about livelihood outcomes, the aims of a particular group as well as the extent to which these are already being achieved has to be understood.

**Chapter three**

**The link between sustainable livelihood and other development approaches**

The livelihoods approach entered an already crowded conceptual and operational landscape for development. Understanding the links between different approaches is essential, both to avoid confusion and to improve the scope for collaboration with colleagues and partners who come from a different starting point. This section briefly outlines links at the level of broad approaches to development (participatory development, sector wide approaches and integrated rural development).

1. **Sustainable livelihoods and rights-based approaches**

A rights-based approach is founded on the conviction that each and every human being, by vir­tue of being human, is a holder of rights.  A right entails an obligation on the part of the government to respect, promote, protect and fulfill it.  The legal and normative character of rights and the associated governmental obligations are based on international human rights treaties and other standards, as well as on national constitutional human rights provisions.

Thus a rights-based approach involves not charity or simple economic development, but a process of enabling and empowering those not enjoying their ESC (economic, social and cultural issues) rights to claim their rights.  When individuals or peoples cannot exercise what they understand and believe to be their right, activists can encourage and help them to claim the right through judicial and adminis­trative channels or, where an established mechanism does not exist, by other means such as public demonstrations.  The process of staking a claim not only asserts an individual’s own­ership of his or her entitlement.  It also helps define the right and raises awareness that what has been claimed is not a privilege or an aspiration, but a right.

The rights-based approach advocates universal access to the means that ensure survival and facilitate development. This pre supposes that resources are abundant and that there is no competition for them: in that case as stated by plateau (2000) private property neither is useful nor is economically justifiable. However, when scarcity occurs and externalities or spillover effects arise –by arrangement or by law-restrictions over ownership are imposed and private forms of property rights arise. Although sound in economic terms, this reasoning may be counterproductive to rights based approaches to development if other factors are not considered such as the initial endowments and the distributive effects that one arrangement or another will possibly imply. Indeed plateau suggests that ‘’as far as heterogeneity and inequality characterizes a community, the regulated outcome (private or collective ownership) turns to be less efficient and to amplify the distributive effects of regulation, thereby increasing the likelihood that some agents will be hurt in the process’’.

Consequently, the institutionalization of a particular property rights regime will affect the livelihoods and livelihood strategies of those who share resources and assets. However, a discussion about the relationships between institutions and livelihood strategies, and particularly about property rights and rights-based approach, is largely absent from livelihood analysis.

Although different regimes of poverty rights are nominally included with in the ‘’structures and institutions’’ dimension of the sustainable livelihoods framework-defined as ‘’a sphere in which policies, institutions laws and culture together affect livelihood strategies’’-applications of the framework have reflected little on the issue of the rights-based approach and property rights. Importantly no efforts have been made to measure the specific influences of institutions and property rights on the livelihood outcomes and economic performance of household livelihood strategies.

Understanding the relationship between rights based approach and livelihood reveals both the set of capital assets that makes possible the adoption of livelihood strategies and the outcomes derived from those strategies. Property rights are related to each of these elements: they determine access to and the use of assets and they also influence the control of livelihood outcomes.

Property rights and the institutional framework that supports them are factors in the constraints faced by rural populations trying to widen their access to assets and to influence their immediate institutional context. The implication of treating property rights as emerging from a defined institutional framework is that the ways in which households construct their livelihood strategies do not respond only to the amount of assets they have access to, but are also based on how laws-and social, communal, and familial norms-define the property rights on those assets. In other words, institutions affect people’s livelihood strategies through the property rights over capital assets. The extent to which property rights affect the formation and change of livelihood strategies will depend on how significant the asset is.

Rights-based approaches to development take as their foundation the need to promote and protect human rights (those rights that have been recognized by the global community and are protected by international legal instruments). These include economic, social and cultural as well as civil and political rights, all of which are interdependent. Running through the rights-based approach are concerns with empowerment and participation, and with the elimination of discrimination on any grounds (race, language, gender, religion, etc.).

Rights-based and sustainable livelihoods approaches are complementary perspectives that seek to achieve many of the same goals (for example, empowerment of the most vulnerable and a strengthened capacity of the poor to achieve secure livelihoods). The primary focus of the rights perspective is on linkages between public institutions and civil society and, particularly, on how to increase the accountability of public institutions to all citizens.

The livelihoods approach recognizes the importance of these links and of enhancing accountability, though it takes as its starting point a need to understand the livelihoods of poor people in context. From this starting point it then tries to identify the specific constraints which prevent the realization.

HRBAs shift imbalanced power relationships between State and citizen toward more equitable access by the poor and marginalized to entitled resources. HRBAs generally focus on strengthening good governance (broadly-speaking) based on human rights standards and principles. More specifically, they focus on protecting the human interest-based aspects of laws and regulations, and improving the institutions, organizations and services that protect those interests.

**Guiding Principles**

**Table 1:** Guiding Principles of the UN Human Rights Based Approach and Sustainable Livelihoods Approach

|  |  |  |
| --- | --- | --- |
| Topic | **HRBA** | **SLA** |
| **1. Aim/focus** | Promoting & protecting (directly furthering) human rights principles, standards (short- and long-term implied)  Reduce disparity | Elimination of poverty; pro-poor, sustainable livelihoods and natural resources (short and long-term emph.)  people-centered, dynamic |
| **2. Motivation/ rationale** | Intrinsic rationale – morally, legally the right thing to do; rights are necessary for human dignity and are universal, inalienable, indivisible  Instrumental rationale – better, more sustainable human development outcomes  (Poverty often results from disempowerment & exclusion) | Development needs a lens that recognizes:   * Complexity of people’s lives (multiple activities, goals, changing circumstances) * Interdependence of livelihood components and influences in context of global population * Vulnerability and risks related to external factors, esp. natural resources |
| **3. Target Groups** | Rights-holders and duty-bearers  marginalized, disadvantaged, excluded groups | Rural household emphasis, esp. informal labor market, other identifiable social groups  impoverished, most vulnerable |
| **4. Partnerships** | Multiple, strategic, sustained | Multiple, public and private |
| **5. Directionality/ Levels of Activity** | Top-down and bottom-up approaches (synergistic)  multi-level, esp. State (macro) | Bottom-up  multi-level, esp. households (micro) |
| **6. Informed by** | Recommendations, standards, principles of international human rights bodies & mechanisms (e.g., UN, Millenium Dev. Goals) | Poor people’s perceptions of own constraints, needs, strengths, priorities, potential |
| **7. Equality/ Power relations** | Empowerment, reduce disparity; non-discrimination and equality  transforming distributions of power/dynamics affecting governance; non-discrimination  build on people’s capacity needs | Empowerment, increase equity of assets, capabilities, opportunities; end to discrimination  build on people’s strengths, not just needs |
| **8. Participation/ Ownership (control)** | Local stakeholders (at all levels, esp. macro and meso) are key actors and owners of the process; analysis includes all stakeholders  participation is a means and a goal  “active, free and meaningful” (per UNDRD) | Local stakeholders (at all levels, esp. rural household)  active, iterative |
| 9. Accountability | Outcomes and processes monitored and evaluated with measureable goals and targets (incl. impacts on poverty)  programs support accountability to all stakeholders  rule of law | Ensure direct policy, institutions & process (PIPs)20 linkages to poor people’s needs |
| 10. Livelihood | [No clear definition. Narrow definition implied.] | Multi-dimensional, including direct and indirect means of living and comprehensive set of elements  Strengthening, diversification |
| **11. Sustainability** | [No clear definition.] Institutional (policy, laws, capacity) and empowerment-based efforts (to empower people to participate in policy-making and hold duty-bearers more accountable). | Multi-dimensional across systems (economic, social, institutional, environmental) and generations |

In terms of language, several identical or similar words can be easily identified:

* Poverty reduction or elimination (aim)
* Sustainability (aim, motivation, partnerships, sustainability)
* Interdependence (motivation, informed by)
* Multiple (partnerships)
* Multi-level (directionality)
* Empowerment (equality, sustainability)
* Local stakeholders (participation)
* Active (participation)
* Marginalized, disadvantaged, excluded groups/impoverished, most vulnerable (target groups)

Some of these words and their principles are similar due to the broader international context that helped shape them. HRBAs are not just modern, new approaches to development but have evolved from a peace-oriented, global sense of morals and ethics for human well-being.

They are informed by international human rights bodies and mechanisms that have shaped development in various spheres, and which profess a number of key principles that SLAs and other approaches incorporate, including most of those listed earlier in this paper. The Common Understanding also benefited from the lessons learned from SLAs of the 1990’s.

SLAs, although focused on people’s uniquely expressed needs and priorities and sustainability of natural resources, also grew in part out of a similar and perhaps parallel global consensus that led to the Bruntland Commission’s report. Although SLAs do not revolve around the rights themselves, they are similarly grounded in international morals and ethics, and can enhance the impacts of rights by connecting interventions to livelihoods development.

The emphasis of the rights based approach is on the rights and individuals of all individuals and institutions and it has four key elements:

* Participatory governance and the right to participate
* Promoting inclusive social and economic development
* Mutual accountability in respect of rights and responsibilities, and
* A holistic perspective focusing on understanding root causes, removing constraints and creating opportunities and choices for livelihood improvement.

1. **Participatory development**

The livelihoods approach will not be effective unless operationalised in a participatory manner by people who are skilled in social analysis and who share an overall commitment to poverty elimination. The approach incorporates and builds upon existing participatory methodologies

* + It promotes people’s achievement of their own livelihood objectives. There is no prejudgment about what these are – they must be ‘established’ through participatory activities.
  + It builds upon people’s strengths. Again, this is only possible if participatory methodologies are used to establish who has access to which types of capital and how this is affected by the institutional, social and organizational environment.
  + It seeks to understand, through participatory analysis, the effects of macro policies upon livelihoods.
  + Indicators of impact are expected to be negotiated with local people. This idea of ‘negotiation’ goes well beyond minimal ideas of participation as consultation.

1. **Sector-wide approaches**

Livelihoods and sector-wide approaches are broadly complementary; each should gain from recognizing the strengths of the other. Livelihoods analysis lays a heavy emphasis on understanding the structures and processes that condition people’s access to assets and their choice of livelihood strategies. Where the major constraint is poor performance by government agencies at a sectoral level, then sector wide support programmes will be highly appropriate. This is especially the case for government-dominated areas such as health and education.

Sector programmes themselves will be enriched if they build on the information gathered in livelihoods analysis. This will help those involved to perceive the interactions between different sectors and the importance of developing inter-sectoral links in order to maximize impact at a livelihood level (the benchmark for performance). It will also encourage public sector institutions to recognize the many different players in the development process, creating pressure within the sector planning process to open up the dialogue beyond government, to innovate and to incorporate best practice from existing project-level activities.

Livelihoods approaches and the support activities which derive from them should also gain from the lessons learnt and the objectives pursued in sector approaches. These include:

* + - The importance of ensuring domestic government ownership of the development process;
    - The need to base all support on best-practice public management principles (i.e. Not to extend the role of government to inappropriate activities and to stress the importance of developing capacity in areas such as financial management and budgeting); and
    - The value of co-ordination between different donors (and the steps required to achieve this).

1. **Integrated rural development**

One of the early ‘criticisms’ that has been leveled at the livelihoods approach is that it is too similar to the failed integrated rural development (IRD) approaches of the 1970s. It is easy to see where this reflection is coming from; the two approaches share much in common. But the sustainable livelihoods approach endeavors to build upon the strengths of IRD (especially the recognition of the need for broad-based support in rural areas) without falling into the traps that caused IRD’s downfall. In particular, the livelihoods approach does not aim to establish integrated programmes in rural areas. While recognizing the importance to rural poverty reduction of a wide range of factors it will target just a few core areas (with the help of thorough analysis of existing livelihoods and a bottom-up planning process) so that activities remain manageable. The livelihoods approach will also address macro level and institutional factors where these are a major constraint. IRD, by contrast was forced to operate within a hostile macro-economic and institutional environment, dominated and often heavily distorted by government.

1. **Developmental state**

Developmental state is often conceptually positioned between liberal open economy model and a central-planned model. The theory of developmental state isn’t capitalist or socialist. The developmental state is based on combinations of positive advantages private business and the positive role of government.

Developmental state, or hard state, is a term used by international political economy scholars to refer to the phenomenon of state-led macroeconomic planning in East Asia in the late twentieth century. In this model of capitalism (sometimes referred to as state development capitalism), the state has more independent, or autonomous, political power, as well as more control over the economy. A developmental state is characterized by having strong state intervention, as well as extensive regulation and planning. The term has subsequently been used to describe countries outside East Asia which satisfy the criteria of a developmental state.

In states that were late to industrialize, the state itself led the industrialization drive, that is, it took on developmental functions. These two differing orientations toward private economic activities, the regulatory orientation and the developmental orientation, produced two different kinds of business-government relationships. The United States is a good example of a state in which the regulatory orientation predominates, whereas Japan is a good example of a state in which the developmental orientation predominates.

A regulatory state governs the economy mainly through regulatory agencies that are empowered to enforce a variety of standards of behavior to protect the public against market failures of various sorts, including monopolistic pricing, predation, and other abuses of market power, and by providing collective goods (such as national defense or public education) that otherwise would be undersupplied by the market. In contrast, a developmental state intervenes more directly in the economy through a variety of means to promote the growth of new industries and to reduce the dislocations caused by shifts in investment and profits from old to new industries. In other words, developmental states can pursue industrial policies, while regulatory states generally cannot. Example: in the case of Japan, there is little government ownership of industry, but the private sector is rigidly guided and restricted by bureaucratic government elites. Developing countries in general often were ruled in so called developmental states by colonial countries - and later by authoritarian regimes after the independence.

First of all, economic development requires a state which can create and regulate appropriate conditions for development. Successful conditions require a state which has the necessary tools to deal with burden, ant it is not merely the guardian of certain freedoms. It is often conceptually positioned between a free market capitalist economic system and centrally planned economic system, and called a plan-rational capitalist system, ‘conjoining private ownership with state guidance’.

Positioning the theory of developmental state between a liberal open economy model and a centrally planned model suggests its being neither capitalist nor socialist in texture. It is characterized by strong state intervention as well as extensive government regulation and planning.

A developmental state plays an active role in guiding economic development and using the resources of the country to meet the needs of the people. A developmental state tries to balance economic growth and social development. It uses state resources and state influence to attack poverty and expand economic opportunities.

A developmental state must be able to direct and support economic development through building a strong public service, creating an investor friendly environment, supporting small business development, using state owned enterprises effectively and driving strategic investment initiatives. The State has to play a role in keeping our economy competitive and close to the leading edge in the global development of knowledge and technology. The State has to be able to control its vast resources and directly apply them to the strategic tasks that will enable us to meet our goals.

In developmental state, the State needs strategic, organizational and technical capacity to play its developmental role.

**Strategic capacity**

Strategic capacity means the ability of the state to take the lead in defining a common national agenda, to mobilize all of society to take part in the implementation of this agenda and to direct society's resources towards this shared programme.

The developmental state must be able to unite the public sector, business, labour and civil society in a partnership geared to implement this shared programme.

The developmental state must also play a much stronger role in establishing clear, measurable and time-bound targets for common programmes, and for monitoring their implementation.

**Organizational and technical capacity**

The State needs the organizational capacity to ensure that it has the most effective and efficient structures and systems to realize its goals.  It has to improve systems and structures within each sphere of government, and national government has to provide the necessary cohesion to deliver the results needed.

The developmental state’s technical capacity is its ability to translate broad objectives into programmes and projects and to ensure their implementation. Economic growth and development need high quality and reliable government services – ranging from water and sewage to electricity generation, to transport and spatial planning.

Technical capacity also involves the state's capacity to plan and monitor the implementation of its programmes. It has to make effective use of intergovernmental and integrated planning across spheres of government and between different government departments.

All of these tasks require a stronger emphasis on the state's human capacity to carry out its work.

**Social partners and the People’s Contract**

The success of a developmental state depends on the active involvement of social partners. Our approach to governance places strong emphasis on building a broad front for development that involves a strong relationship between government, labour, and business as well as other organizations that are formed by different groups of citizens (civil society).

Business, trade unions, religious organizations and other organizations like women’s, youth, sport and cultural organizations are often called the social partners of government. In South Africa we understand that government alone cannot grow the economy, solve all the community problems or deliver all the services to bring about a better life for all our people. Government needs to work together with all social partners and involve everyone in the effort to develop our country.

“The People’s Contract” is a phrase that sums up much of what we have described above. Government will work with all sectors in our society to build a better life for all. For example, when we talk of the “Moral regeneration campaign” government tries to involve faith-based and educational organizations in a partnership. They are much better placed than government to reach their members and address moral issues that will help re-build our society. When we want to address job creation and the economy, government has to work closely with business and trade unions.

Characteristics

* Emphasis on market share over profit
* Economic nationalism
* Protection of fledging domestic industries
* Focus on foreign technology transfer
* Large government bureaucracy
* Improved infrastructure for business by state
* Institutional encouragement for saving and strategic credit
* Export oriented policy
* Alliance between the state, labour and industry called corporatism
* Skepticism of neoliberalism and the Washington Consensus
* Prioritization of economic growth over political reform
* Legitimacy and Performance
* Protection of Investment
* Efficient allocation of resources

Some of the best prospects for economic growth in the last few decades have been found in East and Southeast Asia, Japan, South Korea, China, Singapore, India, Thailand, Taiwan, Vietnam, Malaysia, Philippines, and Indonesia are developing at high to moderate levels. Thailand, for example, has grown at double-digit rates most years since the early 1980s. China has been the world leader in economic growth since 2001.

When it comes to Ethiopia, indeed the role of government in the economy is clearly stated in the constitution. The government is also clear on its direction and aspirations. Its main focus is pursuing a democratic developmental state model. In fact this model has two unique features. It has both developmental and democratic behaviors. The reality on the ground also justifies it. In addition, the goal of the Ethiopian government is to create a modern nation. It is believed that this can be achieved through rapid economic development. This aspiration demanded the Ethiopian government to have both the democratic and developmental state behavior. That is why it claims to have unique features. This behavior also emanates from the constitution. The Ethiopia democratic developmental state model grand objective is transforming the country into a middle income one. The government clarified its key functions. In this regard, the end result is achieving rapid economic growth and transforming the economy towards industrialization in a relatively short period of time. Given that South Korea, Singapore and other countries of the region have passed the same path. But these countries have their own contexts. These countries have developed initially under authoritarian regimes and have an undemocratic political system.

**Chapter four**

**Shocks, vulnerability to livelihoods and food insecurity**

**4.1. Vulnerability to livelihood and food insecurity**

Vulnerability refers to people’s propensity to fall, or stay, below a pre-determined food security threshold. Rural people on their side partake in a number of strategies, including agricultural intensification, and livelihood diversification, which enable them to attain food security goal, however, still unable to escape food insecurity. The rural poor struggle to ensure food security status by participating in diversification activities. However, the contribution to be made by livelihood diversification to rural livelihoods has often been ignored by policy makers who have chosen to focus their activities on agriculture. The problem is worsening, despite massive resources invested each year into humanitarian aid and food security programs.

**Factors of food security**

Food security is one of the biggest challenges facing humankind. There are many factors which have combined to make food security such a large issue. This includes:

**Increasing population -** In 2009, the world population was 6 billion. By 2050, it is predicted to reach 9 billion. Our current output of food is not enough to feed a population of 9 billion.

**Changing diets -** As countries develop and people become richer they tend to eat a more varied diet, including more meat, which requires more energy to produce. This also means there is more competition for the same types of food.

**Reduced arable land -** The drive to produce more biofuels for transport uses edible crops and has reduced arable land.

**Transport costs -** The relatively high price of oil in recent years has increased the price of food storage and distribution.

**Climate change -** Climate change is leading to a warmer world which will affect what crops can be grown where. Climate change can also lead to more frequent extreme weather events (e.g. floods) which can damage crops.

**Pests and diseases -** Pests and diseases are becoming more resistant to pesticides and sprays. The changing climate is also bringing pest and diseases into new areas where they could not previously survive.

**Factors of livelihood**

The opportunities for livelihood diversification open to rural people vary according to a wide range of factors. For example, Seppala (1996) argues from his analysis of data collected in rural Tanzania that success or failure in undertaking diversification strategies is dependent upon households' different management approaches - differences in timing of activities, location of activities, or a capacity to estimate risks. 'The differences in resource management can be marginal differences, and difficult to observe, but are crucial in the competitive environment' (1996:569). And as mentioned earler, Dercon and Krishnan (1996) have suggested that the different income portfolios held by households is best explained by differences in ability, location and access to credit. Likewise, Bigsten and Kayizzi-Mugerwa (1995) conclude that the ability of Ugandan households to diversify their income depends upon both household characteristics and economic variables, and Bigsten (1996) illustrates this in Kenya, where the size of a household and the existence of personal networks were key variables determining whether or not a household engaged in migration. As has been pointed out elsewhere, migration of one form or another forms the basis for many livelihood diversification activities undertaken by rural people.

One implication is that those rural groups who are most vulnerable because of their lack of access to education, their distance from markets, their low wealth status or small household size may have the fewest opportunities to diversify. During a recent review of the income diversification literature, Reardon (1997) not only pointed out the overriding importance of non-agricultural income to rural people in Africa, but that the poorest groups seemed to face the most barriers to accessing this area of the economy. The barriers that appear to operate involve a large number of interlinked, context-dependent factors.

**Macro-economic and policy context**

* Population
* No urban centres in proximity
* Market access
* Restrictions on internal and/or cross border movement and trade
* Government policies which extract surplus from people
* Trying to diversify or which impede their preferred
* Diversification strategies
* Market regulations in the wake of liberalization and
* Economic reform which adversely affect diversification
* Availability of infrastructure (markets, roads etc.)
* Policies that encourage decentralization and the development of small-scale labour intensive enterprises
* Labour availability
* Terms of trade failure for crop cultivators

**Physical environment**

* + Degraded or insufficient natural resources (land, water...)

**Seasonality**

* + Climatic risk and uncertainty
  + Poor harvests
  + Seasonal attacks of disease

**Skills**

* + Limited availability of education and skills training

**Time**

* + Primary activities not leaving enough time to pursue diversification strategies

**Institutions**

* + Norms and religious values excluding women or other groups from participation in certain activities
  + Rules which exclude certain people from informal credit
* Markets (including borrowing and gift-giving)
  + Restrictions on the access to certain activities for lower classes
  + Monogamy and difficult divorce constraining women’s economic independence

**Lack of access to common property resources**

* + Exclusion of certain groups (in particular, the poor or women) from diversification

**Presence of NGOs**

* + Lack of support for new income generating activities

**Access to other means to diversify**

* + Unavailability of credit

**4.2. Livelihood strategies**

Livelihood strategies are defined as those activities undertaken by households to provide a means of living. Livelihood Strategies are diverse at every level. Several different methods of characterizing household livelihood strategies can be found in the literature. Most commonly, economists group households by shares of income earned in different sectors of the rural economy. Livelihood strategies are the means in which communities or households are engaged in to make their survival. These may include farm only, farm and non-farm, farm and off-farm, and farm, non-farm and off-farm activities.

Rural livelihood strategies include agricultural extensification (increasing farm size) and intensification (raising farm yields), income diversification (off-farm economic activities),and migration.

Livelihood diversificationrefers to attempts by individuals and households to find new ways to raise incomes and reduce environmental risk, which differ sharply by the degree of freedom of choice (to diversify or not), and the reversibility of the outcome. Livelihood diversification includes both on- and off-farm activities which are undertaken to generate income additional to that from the main household agricultural activities, via the production of other agricultural and non-agricultural goods and services, the sale of waged labour, or self-employment in small firms, and other strategies undertaken to spread risk; included in this are what has been termed 'activity or environment diversification’ in agriculture.

Although livelihood diversification is an important strategy by which rural people may work to achieve sustainable livelihoods, it is one that generally operates in conjunction with other strategies which also contribute to the formation of sustainable livelihoods. These may include migration (often in itself a part of livelihood diversification) and agricultural intensification. Migration forms a central component of livelihood diversification.

When defining agricultural intensification, Carswell (1997) employs the definition as increased average inputs of labor or capital on a smallholding, either cultivated land alone, or on cultivated and grazing land, for the purpose of increasing the value of output per hectare’. Carswell points out many of the important linkages between agricultural intensification, economic diversification, and market infrastructure. Like migration, agricultural intensification is affected by market proximity, among other factors, and these markets can help farmers generate farm and non-farm income from a wide range of sources. A proportion of this income may then be used to invest in the productivity of their landholdings.

In some parts of Ethiopia, off-farm activities (agricultural wage, land rent, and environmental gathering) are survival mechanisms pursued mainly by the poor and less poor groups but not viewed as an opportunity that farmers engage in as a choice. Nonfarm activities, such as rural craft is also mainly choice of the poor than the counterparts. Thus, off- farming activities seem more of a coping mechanism for the rural population than a way to accumulate wealth and reduce poverty. The poor tend to concentrate on off farm activities with low entry constraints (gathering, such as charcoal making and fire wood collection and wage). This result leads to the understanding of the challenges which prevent the poor and less poor from engaging in livestock production and more remunerative nonfarm activities.

Even if, agricultural land is declining from time to time, a great number of households in developing nations still engaged in farming activities. Households depend on agriculture (crop and animal production) for their livelihood strategies. The non-farm and off-farm activities help farmers to fill income and food gap that agriculture unable to do. The major income sources for most rural households are crop sale, livestock and livestock product sale, petty trade/small business, causal wage, fire wood selling, rent of pack animals, and remittance.

Research suggest that off-farm activities are survival mechanisms pursued mainly by the poor and medium groups but not viewed as an opportunity that farmers engage in as a choice, that means it is a pushing factor in absence of alternative livelihood activities. Comparing to the better-off households, non-farm activities is also the major choice of the poor and medium households.

Thus, off- farming activities seem more of a coping mechanism for the rural population than a way to accumulate wealth and reduce poverty. The poor tend to concentrate on off-farm activities with low entry constraints. Generally livelihood strategies may include the following:

On-farm

* Crop
* Livestock and their product

Non-farm

* Petty trade
* Handcrafts
* Weaving/spinning
* Remittance
* Local drink sale
* Rent pack animal

Off-farm

* Daily labor in local area
* Daily labor near unban
* Wage labor in other area
* Fire wood/grass sale

**4.3. Contemporary livelihoods and food security situation in Ethiopia**

Agriculture still remains the main stay of Ethiopian economy, which contributes 45% GDP, more than 80% of employment opportunities and over 90% of the foreign exchange earnings of the country. It serves as the primary means of livelihoods. Though Ethiopia’s economy has been growing at an average rate of 7% in recent years the increasing population growth in rural Ethiopia obliged households to cultivate and make their living on extremely small size of land. For instance, 29% of grain farmers in 2006/7 had cultivated a land less than 0.5 ha per household. According to recent FDRE evidence, nearly 55 percent of all smallholder farmers operate on one hectare or less. Due to the smaller farm size and low return from farming activities, majority of rural households are exposed to food insecurity and chronic poverty. Similarly, FAO indicated that in Sub-Saharan Africa population growth is out stripping the current productive capacity of the land. The national survey conducted in 2003/4 by EEA indicated that 63% of surveyed households were food deficit in Ethiopia.

About 61 percent people were undernourished in Ethiopia. It is increasingly becoming clear that the agricultural sector alone cannot be relied upon as the core activity for rural households as a means of improving livelihood and reducing poverty. One phenomenon that is gaining prominence in the rural development literature is the promotion and support for non-farm diversification opportunities. Non/off-farm economic activities include seasonal migration, off-farm to engage in wage employment, handicraft production, trading and processing of agricultural produce, provision of agricultural services etc. Such nonfarm activities provide a way of off-setting the diverse forms of risks and uncertainties (relating to climate, finance, markets etc) associated with agriculture and create a way of smoothing income over years and seasons.

The rural economy of Ethiopia, similar to developing countries is traditionally viewed as agrarian economy in which farm households are exclusively engaged in farming with few non-farm activities. However, there is growing evidence that households across the developing world earn an increasing share of their income from non-farm sources.

Outside agriculture the rural households in some parts of the country generate income from non/off-farm wage, trading and remittance from migrants. Distant migration as a way to maximize income across seasons and cope with food shortage has been a long history. However, the majority (more than 50%) of the population lives on subsistence margin with little or almost no land and livestock and dependent on marginal non-farm income sources (i.e., casual labor, petty trade). The very poor are often without working labor, with no assets (i.e., land, livestock) and dependent on income transfers.

**4.4. Determinants of livelihood and food security in rural Ethiopia**

Due to sever land scarcity, high population pressure and recurrent drought, farm households in the some parts of developing nations widely engage in and pursue diverse activities as livelihood strategies. The carrying capacity of agriculture to attain food and livelihood security is extremely declining from time to time. Diversifying livelihood strategies at current time become a common phenomenon in most nations.

Different livelihood strategies are influenced by different factors. Small farm size, uncontrolled population growth, recurrent drought, the agricultural production has been deteriorating over time, and has forced people to look for alternative employment option other than agriculture. A significant number of rural households engage in diverse livelihood strategies away from purely crop and livestock production towards non-farm and off farm activities that are undertaken to broaden and generate additional income for survival and livelihood improvement.

It is increasingly becoming clear that the agricultural sector alone cannot be relied upon as the core activity for rural households as a means of improving livelihood, achieving food security and reducing poverty. Livelihood diversification is gaining/playing prominent role in rural households’ income and food security. Even though, regarding the rural economy in Ethiopia, policy makers give almost full attention to agricultural sector. Nevertheless, there is a growing evidence that rural sector is much more than just farming. Low resources endowments can be a main characteristics of poor wealth groups and this meager resource could not enable people to generate sufficient livelihood outcome. To overcome the situation, majority of poor households depend on other livelihood options rather than agriculture, which is not worthy. Therefore, household’s adoption of alternative livelihood strategies can be influenced by agro-ecology, sex, education, farm size, livestock ownership, participation in social leadership, annual cash income, fertilizer use, improved seed use, age, and training.

A specific study in Ethiopia shows that the age of household head, agro-ecology and participation in local leadership influenced positively and significantly the choice of farming + non-farming, while the ownership of livestock in TLU and total farm size negatively and significantly affected the diversification of livelihood into non-farm, off-farm and combining non-farm and off-farm activities. Further, the variable education had positively and significantly influenced the household choices of farm + non-farm, farm + off-farm and farm + non-farm & off-farm activities, whereas total annual cash income was found to have positive and significant influence of livelihood diversification into non-farm and combination of non-farm and off-farm activities. Similarly, use of fertilizer and improved seed had negative and significant influence on the household decision of selecting diversified livelihood strategies into farm + off-farm activities, while agricultural training had negative and significant influence on livelihood strategies choice of farm plus non-farm and off farm activities.

**Factors of food insecurity in Ethiopia**

* Food availability was negatively affected as a result of poor supply of food commodities, malfunctioning of markets, high transport costs, and hoarding of grains by traders that contributed to the shortage of commodities in markets.
* Food accessibility was also seriously impacted by several factors that include:
* Poor level of asset base for more than half of the surveyed households.
* High poverty conditions of the majority of the population;
* High level of expenditure on food by the majority of households
* Below-acceptable level of consumption by about one-third of the surveyed population.
* Increased inflation regarding food commodities and other services that led households to have deteriorated purchasing power.
  + Food utilization was also affected due mainly to the poor basic infrastructure and deterioration of basic services such as safe drinking water, sanitation, housing and health facilities.
* Factors that include high prices of food and non-food commodities and services, worsening food insecurity, preventable/communicable diseases, family disintegration, and disruption of social support/networks.
* In order to minimize some of the risks, households may use consumption-related destructive coping strategies that include skipping meals, reducing meal sizes, shifting to less expensive and less preferred food items.
* As a result of high exposure to several risk factors and using maladaptive types of coping mechanisms, many households may be vulnerable.