

Sustainable Livelihoods Approaches in Urban Areas:

General Lessons, with Illustrations from Indian Cases

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Responsibility for the interpretation presented here rests with the authors alone.

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Acronyms

CBO	Community-Based Organisation
CDS	Community Development Society (India)
DFID	Department for International Development (UK)
GDP	Gross Domestic Product
GoI	Government of India
NGO	Non-Governmental Organisation
NIUA	National Institute of Urban Affairs (India)
NR	Natural Resources
NRY	Nehru Rozgar Yojana (India)
PAPSL	Participatory Assessment and Planning for Sustainable Livelihoods
PIPs	Policies, Institutions and Processes
PMIUPEP	Prime Minister's Integrated Urban Poverty Eradication Programme (India)
PPA	Participatory Poverty Assessment
PRA	Participatory Rural Appraisal
PRSP	Poverty Reduction Strategy Paper
RBA	Rights-Based Approach
SEWA	Self-Employed Women's Association (India)
SL	Sustainable Livelihoods
SPARC	Society for the Promotion of Areas Resource Centres
SUME	Scheme of Micro Enterprises (India)
SWAP	Sector-Wide Approaches
UBSP	Urban Basic Services for the Poor (India)
UMP	Urban Management Programme
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WHO	World Health Organisation

Summary

Reducing poverty in urban areas is likely to be a growing task for governments and development agencies in the coming decades. As rural–urban migration continues, the majority of population is to be found in urban areas in an increasing number of countries, and in most contexts, urban areas provide much greater opportunity and fewer social restrictions on the livelihood possibilities open to the poor. But these opportunities will be realised only if urban development is *tailored* to the livelihood aspirations of the poor. This provides a compelling rationale for the use of Sustainable Livelihoods (SL) approaches, which:

- acknowledge the multi-faceted nature of poverty;
- recognise that the poor develop diverse and changing livelihood portfolios addressing their perceptions of their own poverty, but do so within the context of pervasive vulnerability;
- draw on (and replenish) capital assets; and
- have the success of their strategies facilitated or impeded by a range of policies, institutions and processes (PIPs).

There are substantial differences between urban environments and rural (where much early development of SL applications took place). These include:

- differences in vulnerability context (more health, safety, personal harassment in urban; more seasonal in rural);
- differences in capital assets:
 - lower importance of land and NR in urban (but note the importance of ‘space’)
 - higher importance financial in urban (and possibly also of physical and political)
 - different nature of social and human;
- differences in patterns of access to assets for the poor: more socially and culturally mediated in rural (e.g. influence of caste); more based on ‘modern transactions’ in urban, but still some caste-based occupations;
- differences in patterns of access to entitlements: perhaps stronger exercise of citizenship in urban, but note also the possibility of exclusion of new arrivals;
- different patterns of policies, institutions and processes: in urban, closer presence of public and private agencies; prevalence of municipalities over line departments; greater complexity of formal institutions (e.g. permits to trade; local taxation);
- (probably) different patterns of desired livelihood outcomes – perhaps greater emphasis on income-related in urban;
- difficulty of inferring general livelihood patterns – more heterogeneity within a given area.

Despite these differences, there appear no inherent reasons why the SL framework cannot be applied equally well to urban as to rural areas:

- it provides a systematic basis for identifying how people manage assets within the context of vulnerability and institutional frameworks;
- it allows identification of how livelihood outcomes feed into consumption, investment in assets or reduction of vulnerability, in successive (dynamic) ‘rounds’ of activity;
- its application at individual-level allows intra-household differentiation to be detected.

The most important principles (and sets of questions that they suggest) remain the same between rural and urban areas:

- what types of risk and vulnerability do different categories of the poor face?

- how do households (and members of households) vary in their vulnerability to external conditions?
- how do they manage the assets that they own?
- how do they access:
 - assets which they do not own?
 - service- or transfer-related entitlements?
- what are their rights and entitlements? How do they access these? What threats to access do they face, and from whom?
- what types of livelihood outcome do they seek to achieve, how, and against what threats? Why/how do actual outcomes differ from intended? How do intended outcomes change over time?

As in rural areas, SL approaches will have to be complemented by a range of conventional and participatory information collection methods, and the identification of entry points and sequences will be of primary importance. In addition, when combined with SL analysis, rights-based approaches may enhance understanding especially of how poor people access both capital assets and the provisions which government makes available to them. Such approaches can also help in understanding how, why and by whom such entitlements might be denied to the poor. It is worth noting that rights-based approaches are mainly concerned with redistributing the overall ‘cake’; SL approaches are mainly concerned with increasing the size of the cake; and both are concerned with the quality of the cake (as far as the poor are concerned). To combine the two approaches enhances our insights into the trade-offs between growth and equity that commonly have to be faced.

There are powerful arguments for bringing the ‘bottom up’ insights obtained by SL approaches to bear on macro-level policy change and public investment decisions. In many contexts this might best be done through national Poverty Reduction Strategy processes.

Pragmatic implementation of an SL approach will commonly apply SL perspectives on poverty, vulnerability and access. The SL framework as such need not be slavishly followed at field level. However, it may be a useful tool for assessing dynamics from time to time, since it can identify progress along an upward or downward spiral, based on ‘iterations’ through the diagram as individual ‘rounds’ of livelihood outcome are achieved (or not, as the case may be).

Although government is assumed to be the major partner in this paper, this need not always be the case. There is no reason why NGOs or people’s organisations could not, for instance, be major partners, especially in areas where government is weak. SL concern with access to resources might also help in indicating potential roles for the private commercial sector – for instance, in domestic water supply.

The challenges and opportunities for Sida if it seeks to implement a livelihoods approach in urban environments include:

- *process*: to place the poor at centre stage offers a prospect of bringing different sectors and disciplines together in a common goal, both within Sida and within host countries (the latter may be easier than in rural areas, since urban tend to be dominated by a single municipality rather than line departments);
- *articulation*: i.e.
 - into adjacent contexts (e.g. the rural hinterland)
 - into public investment decisions
 - into management of change.

1. The Sustainable Livelihoods Approach

The Sustainable Livelihoods (SL) approach centres on ways of understanding the practical realities and priorities of poor men and women – what they actually do to make a living, the assets that they are able to draw on and the problems that they face in doing this. The rationale is that the better this is understood, the better able those designing policies and programmes addressing poverty will be to identify points of intervention and appropriate strategies. Ideally, successful strategies under the SL approach should serve to improve and consolidate poor people's access to and control over assets, thereby improving their livelihoods, and helping to make them less vulnerable to shocks and stresses (such as serious illness, natural disasters or job loss) which could otherwise lead to a downward cycle of indebtedness and impoverishment.

Livelihoods, in the SL approach, refer to more than income, encompassing:

‘... the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide Sustainable Livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the long and short term.’ (Chambers and Conway, 1992)

In efforts to apply this rationale, Sustainable Livelihood approaches work at three levels (Farrington, Chapman and Slaymaker, 2001), acting as:

- an overall development **objective**
- a set of underlying development **principles**
- an **analytical framework**

The development **objective** underlying SL approaches is to enhance the sustainability of people's livelihoods, with a particular focus on the livelihoods of poor men, women and households.

The general development **principles** underlying the SL approach are criteria for good practice which are seen as vital if the SL development objective is to be realised – although it is also argued that some of these principles (i.e. the need to work ‘in partnership’) relate more broadly to good development practice, and are not necessarily core features of SL approaches. These principles state, broadly, that development activities should be:

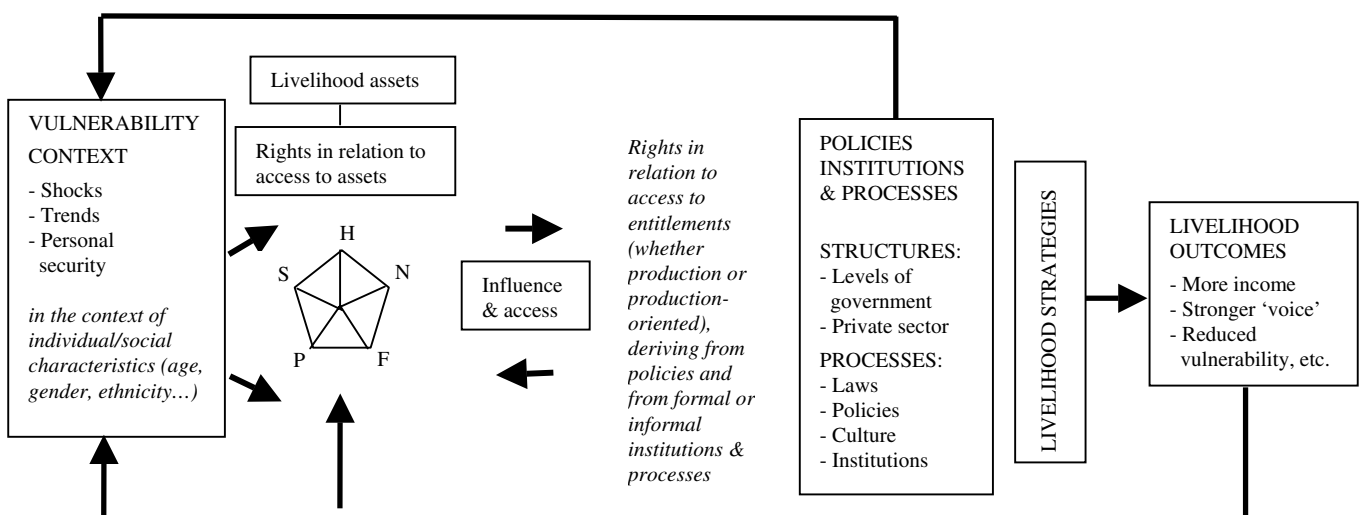
- *people-centred*: beginning with people's own views of their priorities, opportunities and needs, and thereby responsive and participatory;
- *differentiated*: recognising that poverty, and appropriate policy responses, differ among different groups of poor women and men – and therefore SL approaches must be designed to be contextually specific;
- *multi-level*: fostering approaches which link the local-level perspectives obtained by SL into higher-level processes of designing and implementing policies which impinge on the poor – i.e. building micro-macro linkages;
- *conducted in partnership* between public, private and community sectors;

- *sustainable*: in several dimensions – economic, institutional, social and environmental;
- *dynamic*: in response to the fact that the poor manage complex ‘portfolios’ of a number of activities, changing the balance among them with changes in the opportunities and constraints they face;
- *holistic*: on the basis that livelihood strategies are diverse and depend on a wide range of assets, meaning that they require integrated multi-sectoral responses.

(Carney, 1998; Meikle et al., 2001)

However, the core of the SL approach is the **analytical framework**. This focuses attention on the assets that poor men and women use and the strategies that they employ to make a living – rather than focusing on their needs, in the vein of previous development approaches such as ‘basic needs’. A variety of detailed frameworks have been developed by the agencies using SL approaches. However these generally overlap in the way that they relate the core SL concepts as a virtuous or vicious cycle of increased sustainability of livelihoods or increased vulnerability, along the lines below:

Figure 1 DFID Sustainable Livelihoods Framework, incorporating rights perspectives and with urban adaptations



F = Financial capital P = Physical capital S = Social capital
H = Human capital N = Natural capital

Source: Adapted from Carney et al. (1999)

Vulnerability: This means ‘the insecurity or well being of individuals or communities in the face of changing environments (ecological/social/economic/political) in the form of sudden shocks, long term trends or seasonal cycles’ (Moser, 1996). The extent of vulnerability relates both to the level of external threats to a household’s, individual’s or community’s welfare and to their resilience resisting and recovering from these external threats (UNDP, 1997).

Assets: These are the resources on which people draw in order to carry out their livelihood strategies. These resources include a broad range of financial, human, social, physical, natural and political capital. Assets are not always owned by the men and women who use them in their livelihood strategies – rather, they may have varying extents of access to and control over these assets. Issues

relating to access to assets and how the access of poor men and women can be improved is key to the SL model.

PIPs: These refer to Policies, Institutions and Processes. PIPs cover a broad range of social, political, economic and environmental factors that determine peoples choices and so help to shape livelihoods, such as institutions (established ways of doing things, such as social norms and belief systems), organisations, policies or legislation. They are relevant at all levels, from households to global processes. They are key in determining *access* to the various types of capital asset that women and men use in pursuing their livelihood strategies either through acting as conduits to make assets available to them, or as barriers to their access.

Livelihood strategies: These are the planned activities that men and women undertake to build their livelihoods. They usually include a range of activities designed to build asset bases and access to goods and services for consumption. Livelihood strategies include coping strategies designed to respond to shocks in the short term, and adaptive strategies designed to improve circumstances in the long term. Livelihood strategies are determined by the assets and opportunities available to men and women (which are in turn affected by PIPs and changes in the vulnerability context) as well as by the choices and preferences of men and women.

Livelihood outcomes: These are the results of women and men's livelihood strategies and feed back into the vulnerability context and asset bases, with successful strategies allowing them to build asset bases as a buffer against shocks and stresses, as opposed to poor livelihood outcomes which deplete asset bases, thereby increasing vulnerability. Livelihood outcomes may therefore lead into either virtuous or vicious cycles.

While broadly overlapping in terms of these core principals and this framework, the SL models adopted by different organisations vary in their details. One of the principal differences is that the majority of the initial SL models had a rural focus, including those developed by the UNDP on the basis of the 1987 UN Environment Summit, and that developed by the IDS (Chambers and Conway, 1992) and subsequently taken up by the UK DFID, which have a concern with the relationship between rural poverty and the environment, and have their roots in Integrated Rural Development (Tacoli, 1999) and the international NGO CARE's Household Livelihoods Security Framework, developed initially in 1994 by CARE USA to address rural food security. In contrast, only the 'Assets Vulnerability Framework' developed by Moser (1998) was explicitly designed to look at livelihoods and vulnerability in urban areas.

The rural or urban origin of the models has implications for the emphasis of these models (for example the stress of the rural models on natural assets and environmental sustainability, as opposed to the stress of the urban models on households and housing and financial assets, as will be discussed in more detail below). However, because the models are conceptually broad enough, and because of the SL focus on contextual specificity, these models can be applied to both urban and rural settings. Furthermore, the need for SL models which can be used to understand local realities in both urban and rural settings is reinforced by the commonalities and lack of clear distinction between 'rural' and 'urban' conditions and populations, as is discussed in the next section.

2. Differences between Urban and Rural Contexts

In order to understand the implications of using SL approaches in urban areas, it is first important to understand the features that distinguish urban areas from rural and peri-urban areas – a distinction that seems simple but in practice is often hazy, complex and poorly defined.

There is a range of accepted ways of defining and measuring urban areas. In fact, depending on how ‘urban centre’ is defined, the global urban population ranges from 40–55% of the total world population, and the population of specific cities can be defined to cover enormously different areas and populations – the population of Tokyo, for example, ranges between 8 million and 40 million inhabitants, according to different definitions (UNCHS, 1996). Clearly these ways of defining the city have different implications for the populations and local environments covered and therefore the types of assets and livelihood strategies available to and pursued by these populations. Satterthwaite (2000) notes that ‘the scale of urban poverty worldwide would be much increased and the scale of rural poverty much reduced if India and China adopted the Swedish or the Peruvian definition of what constitutes an urban area, since most of India’s and China’s rural population live in settlements that would be defined as urban’.¹

The most commonly used ways of defining and measuring urban populations include population thresholds (i.e. any settlement over a certain size), population density, the percentage of population engaged primarily in agricultural or non-agricultural activities, or the administrative/political status of a settlement. Most nations that are using population thresholds set these at between 1,000 and 10,000 inhabitants with 2,000, 2,500, 5,000 and 10,000 being the most commonly used thresholds, though some use thresholds are low as 200 or as high as 20,000 (Satterthwaite, 2000).

The implications of the range of measures for urban areas can be seen in the range of populations and areas attributed to Dhaka according to different measures:

Table 1 Different criteria of ‘urban’ in relation to Dhaka, Bangladesh

Population	Area (km ²)	Urban area: Categories
4,000,000	363	Dhaka metropolitan area
6,400,000	780	Dhaka statistical metropolitan area
8,000,000	1,530	Jurisdiction area for Dhaka’s planning authority
<250,000	6	Historic city of Dhaka

Source: Dhaka 1991, UNCHS (1996)

Most commonly, urban indicators are taken for the area of the ‘urban agglomeration’, which is defined as ‘the built-up or densely populated area containing the city proper, suburbs and continuously settled areas’, though some indicators may be taken for the metropolitan area, which comprises the ‘formal local government area as a whole and its primary commuter areas’. Because municipal areas tend to include rural hinterlands, metropolitan areas tend to be much larger than urban agglomerations (UNCHS, 2001a). In terms of livelihood activities therefore, their range and the reliance on natural

¹ Sweden defines urban areas as built up areas with at least 200 inhabitants and usually not more than 200 metres between houses; Peru defines urban areas as populated centres with 100 or more dwellings grouped contiguously and administrative centres of districts, according to the UN (1998).

capital assets and agricultural activities is likely to be more significant in metropolitan areas than in urban agglomerations.

In India the urban population is generally counted according to city's administrative boundaries. Administrative boundaries are determined through political decision-making and may therefore be relatively arbitrary in terms, for instance, of population densities covered – thus for example the enormous increase in Mumbai's population during the 1980s was augmented by significant changes in its administrative boundaries between the 1980 and 1990s censuses, misrepresenting the actual population growth of the contiguously built up area.

In addition to the fact that the definition of 'urban' is open to debate, it is also important to be aware that while the urban/rural distinction means that 'cities' are treated as a homogenous category, urban areas actually include a wide range of widely differing environments, with different implications for the asset base and livelihood strategies employed by poor women and men in these areas.

Within cities very different conditions are likely to be found in distinct areas, with spatial distinction bases such as income, ethnicity and social mix of residents, land-use (retail, residential, industrial, mixed), formality or informality of neighbourhoods (Wratten, 1995). Thus looking at characteristics of 'urban sustainable livelihoods' may be misleading as many urban areas and populations may have more in common with rural areas than with other parts of their city.

For example, one area that often falls within the overarching category of 'urban' is the 'peri-urban interface' – the area defined as the meeting place of rural and urban activities (DPU, 2001a). This is often an area of particular concern for Sustainable Livelihoods and development interventions, as government institutions tend to be rural or urban in focus and special authorities working with related urban and rural areas rarely exist, with the result that the special needs of peri-urban areas may fall between the cracks. In addition, urban growth generally means that peri-urban areas are subject to environmental and social changes that represent both livelihood opportunities and shocks and stresses to local populations.

As well as differences of conditions within cities, there may be striking differences between different scales and types of city, such as large metropolises and smaller cities. In India, for example, according to poverty lines based on calorie intake, poverty in metropolitan and class I cities is much lower than in smaller class II cities (with a population of between 50,000 and 99,999), and furthermore 'when one looks at access to amenities instead of calorie intake, then the difference between large cities and small and medium towns becomes even more glaring' (Kundu, 1999). Furthermore there are striking regional disparities in levels of urban poverty with cities in some states exhibiting far higher levels. For example, 48% of the urban population in Madhya Pradesh was living below the poverty line in 1993–4, as opposed to the north-eastern hill states, which have levels averaging around 9% of urban residents below the poverty line, or Delhi, with 11.35% below the poverty line. High levels of urban poverty exist both in the poorest states in India, which also exhibit high levels of rural poverty (Madhya Pradesh, Bihar, Orissa), and strikingly in some of the more developed states (such as Maharashtra, Tamil Nadu and Karnataka) (Srinivas, 1999).

Finally, it is important to note that the strict distinctions between 'rural' and 'urban' livelihoods systems are, in many ways, reductionist and therefore unhelpful. Linkages between urban, rural and peri-urban areas are in fact important parts of poor men and women's livelihood strategies. In addition many of the underlying causes of poverty (such as lack of access to productive assets and political

influence) are the same in urban and rural areas. Urban and rural livelihoods systems may be interdependent in a variety of ways (Tacoli, 1998; Satterthwaite, 2000) – for example, in terms of:

- Flows of assets between individuals and households in rural and urban areas, such as remittances or food. Sharma's study of families in Himachal Pradesh showed a typical pattern of rural households sending whichever family members are currently most employable to work for wages in the army or industry and sending back money which is used for investment in assets such as jewellery or wedding expenses, or to increase family land holdings (Sharma, 1986).
- Seasonal labour and short-term migration for work between urban and rural areas. In the instance of Sharma's study, women normally remained in the village to care for children and farm land, and migrants did not typically come from the poorest households – dominant land owning castes were the earliest and most successful migrants. In addition, migrants might not retire to their source villages but generally continued to hold some stake such as 'social credit' and maybe land holdings (Sharma, 1986). Other studies of migration in India show different patterns, with increased female migration to cities for wage labour, and some instances of rural ultra-poor migrating to cities (Barret and Beardmor, 2000). Despite the stereotype of migration as rural people coming to cities to work, the process is in practice two-way. The urban poor, especially in peri-urban areas, are often involved in agricultural work, especially in smaller cities and in areas or states where the rural economy dominates and they may migrate seasonally to work in agriculture or commute daily to rural areas. For example, 25% of the female urban labour force and 13.8% of the male urban labour force in Karnataka state rely on agricultural activities for income (Brook and Davila, 2000). Furthermore, a study of three districts in South India in the early 1980s found that of the 12 urban centres with between 20,000 and 100,000 inhabitants, five had more than a fifth of their workforce in agriculture – while most had a considerable proportion working in industries and services linked to local agricultural production (Bhooshan, 1986, cited in Satterthwaite, 2000).
- Short term migration for education.
- Daily commuting for work or to visit urban markets to buy and sell rural produce or to use urban facilities such as hospitals and government institutions. Satterthwaite (2000) stresses the interdependence of urban centres and rural surroundings for marketing and processing agricultural produce. He cites the example of the multiple interconnections between rural silk cocoon production in areas close to Bangalore in India and the employment generated in Bangalore and in many nearby towns and villages in a great range of activities relating to collecting and processing the cocoons, making the silk and then using the silk – to make saris, for instance. This has a knock-on effect on whole range of activities, such as the manufacturing of presentation boxes for saris, sari designing, and also for the dyers and specialist carpenters who manufacture and refurbish looms. Similarly, studies in sub-Saharan Africa show that many urban enterprises rely on demand from rural consumers, while access to urban markets and services is crucial for many agricultural producers (Beall et al., 1999).
- Sharing of caring responsibilities for extended family members.

Furthermore, the distinction between urban and rural is not only blurred by the ties between the two types of area – blurring between the two categories also stems from the fact that the spatial relationship between cities and rural areas is not a static one. Urbanisation as a *process* can have profound effects on people's livelihoods, particularly, as noted above, in peri-urban areas, which tend to be most

affected by urban growth. The effects of urbanisation on people's livelihoods are often unequally felt, benefiting some and increasing the vulnerability of others. A study on the urban fringes of Hubli Dharwad in Karnataka show that while employment opportunities in this area have expanded over the last fifteen years due to urban encroachment, opportunities have not been equally distributed, for example in terms of gender. While many men have found non-farm employment, the majority of the female labour force remains in agricultural production, which is the lowest paid sector in the area. This inequality is compounded as, because women are responsible for many domestic and communal tasks such as the management of dump sites and the collection of firewood (which is increasingly scarce locally as a result of urban expansion), they disproportionately bear the health burdens and increase time demands resulting from urban expansion and its impacts on the local environment (DPU, 2001a).

Finally, it should not be assumed that cities or the process of urbanisation are the same across different regions. While this paper focuses on how SL approaches can be applicable to the urban context in India, this may differ from that in other countries or regions. Thus, for example, while Indian cities exist in the context of high national population density (3409 persons per 1000 ha in 2000, according to UNCHS (2001a), which means that urban style activities and settlements are found in many areas referred to as rural) the average population density in Sub-Saharan African countries are much lower, with an average of well under 1000 people per 1000 ha, meaning that 'urban' activities and settlement types tend to be restricted to larger cities and towns, and that in many smaller settlements urban and rural activities are intimately interwoven.

Furthermore, the importance of urban areas and activities for the economy varies across regions and countries – thus for example the share of GDP represented by agriculture in India is only 27% (with the balance made up by manufacturing, industry and services – activities more generally regarded as 'urban'), as opposed to 45% in Nigeria or 48% in Tanzania, while many Latin American countries have even lower shares of agriculture than India (World Bank, 1999). These factors are important in determining the types of livelihood that poor women and men rely on in different regions or countries, and it is therefore important to avoid making generalisations about urban conditions with reference to livelihoods.

Rural–urban differences: Conclusions

The range of definitions of urban areas, the blurred distinction and pervasive linkages between urban and rural areas, and the diversity of conditions found within urban areas means that attempts to use 'urban sustainable livelihoods' as a distinctive category should only be undertaken with great caution. The strongly rural character of small/medium towns especially in sub-Saharan Africa adds a further difference. In addition, the emphasis of the SL approach in focusing on the realities of poor men and women's livelihoods on the ground, and recognising local contextual specificity means that any thorough SL analysis should take account of these issues, rather than seeing cities as simply a homogeneous category. Nonetheless, while caution should be exercised in making generalisations about rural and urban conditions, some broad patterns have been deduced through research into rural and urban poverty, from which urban and rural 'ideal types' can be derived as a yardstick, as outlined in Table 2.

Table 2 The rural–urban continuum

 Rural	 Urban
Livelihoods drawn from crop cultivation, livestock, forestry or fishing (i.e. key for livelihood is access to natural capital) Access to land for housing and building materials not generally a problem More distant from government as regulator and provider of services Access to infrastructure and services limited (largely because of distance, low density and limited capacity to pay?) Fewer opportunities for earning cash; more for self-provisioning. Greater reliance on favourable weather conditions Access to natural capital as the key asset and basis for livelihood Urban characteristics in rural locations (e.g. prosperous tourist areas, mining areas, areas with high value crops and many local multiplier links, rural areas with diverse non-agricultural production and strong links to cities...)	Livelihoods drawn from labour markets within non-agricultural production or making/selling goods or services Access to land for housing very difficult; housing and land markets highly commercialised More vulnerable to ‘bad’ governance Access to infrastructure and services difficult for low-income groups because of high prices, illegal nature of their homes (for many) and poor governance Greater reliance on cash for access to food, water, sanitation, employment, garbage disposal Greater reliance on house as an economic resource (space for production, access to income-earning opportunities; asset and income-earner for owners – including <i>de facto</i> owners) Rural characteristics in urban location (urban agriculture, ‘village’ enclaves, access to land for housing through non-monetary traditional forms...)

Source: Satterthwaite (2000)

3. Sustainable Livelihoods in the Urban Setting

Although, as outlined above, the complexity of cities and their relationship with rural areas means that it is not possible to define a simple set of characteristics for the livelihood strategies of the poor in urban areas, practical experience and field research does suggest that some common themes emerge around the conditions faced and livelihood practices adopted by many of the urban poor. This section will look at these urban patterns in some detail, according to the core elements of the SL model.

3.1 Vulnerability

Vulnerability means ‘the insecurity or well being of individuals or communities in the face of changing environments (ecological/social/economic/political) in the form of sudden shocks, long term trends or seasonal cycles’ (Moser, 1996). The extent of vulnerability relates both to the level of external threats to a household’s, individual’s or community’s welfare and to their resilience resisting and recovering from these external threats. The focus of SL research into vulnerability therefore examines both:

- the exposure of different groups to particular trends/shocks/seasonality; and
- the sensitivity of their livelihoods to these factors.

Standard analysis of urban poverty involves the use of poverty lines based on income or, as is the case in India, based on the cost of minimum *per capita* nutritional intake. Using poverty lines it is estimated that, in India, 40–50% of slum households live just below the poverty line, and 11% just above it. However only 40–60% of the urban poor in India actually live in squatter settlements – the rest live on pavement dwellings, in tenements, or commute daily from rural areas. This means that the conditions and sources of vulnerability faced by these various groups of poor people vary widely, so that even as a broad means of targeting the poor, poverty lines are weak (Barret and Beardmor, 2000).

An analysis of vulnerability offers scope for addressing the one-dimensional understanding of poverty resulting from the use of the use of poverty lines. However, the complexity of the factors determining vulnerability is such that it is impossible to measure using simple quantitative tools. It is suggested, however, that vulnerability can be understood through an assessment of tangible and non-tangible assets: labour, human capital, productive assets, household relations and social capital (Moser and Holland, 1997).

A review of literature on urban poverty suggests that while the shocks and stresses that people are vulnerable to relate to specific events and circumstances, poor men and women in cities frequently face a similar set of sources of vulnerability. These can broadly be grouped into sources of vulnerability accruing to the social context of cities, the nature of the urban economy, the urban environment and urban systems of governance, as outlined below.

Social context of cities

In most cases, cities are more culturally diverse, more socially fragmented, and less likely to be safe than rural areas. Furthermore, urban neighbourhoods contain a diversity of household types, which are

often fluid in their structure, and income inequality is often at its most striking in cities. This social diversity is likely to create tensions and the need for different livelihood strategies from those practised in rural areas (Wratten, 1995; Rakodi, 1993; Moser, 1996).

It should be noted that many of these stereotypes need to be assessed against the realities in different areas – for example the idea that cities are less safe than rural areas is belied by some specific cases, including countries such as Angola, where civil war has resulted in an exodus from the countryside, or cases such as Upper Egypt or rural Bangladesh where, due to specific local circumstance rural areas are characterised by high levels of violence.

One ongoing debate has been whether the social diversity and fluidity of cities mean that the urban poor suffer from conditions of social disintegration and the erosions of community, or whether they rely on strong networks of solidarity between groups and individuals (see social capital, below).

On the one hand it is argued that poor areas of cities are characterised by ‘urban blight’, linked to family break up, drug use, crime and social disintegration – processes often highlighted in studies of the ‘inner city’ in developed countries (Wratten, 1995). These are attributed to various causes, but one of the underlying roots that is frequently suggested is the social fluidity of cities, with many recent migrants without strong social ties, and frequent movements of households and communities in response to economic shocks and the vagaries of urban development.

‘(C)ommunity and inter-household mechanism of trust and collaboration can be weakened by greater social and economic heterogeneity... This contrasts with the ‘moral economy’ of rural areas, where the right to make claims on others and the obligation to transfer a good or service is embedded in the social and moral fabric of communities.’ (Moser, 1998; p.4)

However, social breakdown and ‘urban blight’ are not uniform amongst the urban poor, and many studies actually point to the strong social networks and solidarity amongst communities and households who use this social capital as a bulwark against shocks and stresses (Douglass, 1998; Dersham and Gzirishvili, 1998).

What needs to be understood in specific cases, therefore, is whether, and why, specific communities or households suffer from high levels of social fragmentation. Some characteristics have been highlighted as sources of increased social fragmentation in urban areas – for example, recent migrant groups may be more socially isolated, while longer established neighbourhoods, or ‘urban villages’, may be more socially cohesive (Satterthwaite, 2000), or neighbourhoods may be fragmented due to specific social problems, such as a prevalence of criminal activities and drug or alcohol dependency or ethnic, religious or communal tensions.

The assumption that it is a lack of social networks and tradition that causes vulnerability in cities is one that should not always be accepted unquestioningly, however. Social networks and traditions can be a two edged sword, and at times can themselves be a source of vulnerability through the obligations that they impose. In India, for example, one of the chief set of shocks that forces women into the labour market as a result of financial crises, are ritual celebrations, the most expensive of which are marriages requiring dowries (Barret and Beardmor, 2000).

The urban economy

Urban economies are characterised by a greater degree of commercialisation, and most basic goods such as food and accommodation must be bought or rented through the market. Poor urban men and women therefore need higher cash incomes to survive, unlike their rural counterparts who may rely more heavily on subsistence agriculture or payment in kind and who are more likely to have access to free or common property resources (Wratten, 1995; Satterthwaite 1997).

Dependence on income means that one of the most calamitous events faced by poor households is the loss or illness of a major income earner. In India the response to illness of an earner 'often requires women to join the labour force or take on a second job. Where this is impossible, the most common non-labour response is through disposal of household assets or credit, the latter creating a household debt which further strains the resources of the family. A negative circular pattern of ill health leading to indebtedness leading to the loss of assets and further impoverishment can have a devastating impact on households.' (Barret and Beardmor, 2000).

The urban poor must therefore survive through undertaking a variety of income-generating activities. In most developing cities, the main part of these income-generating activities take place in the informal sector – it is estimated, for example, that 63% of total employment in Delhi is through the informal sector (Dhar Chakrabarti, 2001).

Informal sector activities generally provide poor men and women with low cash incomes and insecure conditions. Those in informal employment tend to lack labour rights. They are therefore susceptible to sudden unemployment and the dangers accruing to unprotected working conditions, such as long hours, poor pay and insanitary or unsafe conditions (Potter and Lloyd-Evans, 1998).

Another source of vulnerability for the urban poor relates to the linkages between specific cities and the global economy. Urban economies are part of a wider economic system and are affected by national and international macro policy (Douglass, 1998). Such policies and global forces frequently have mixed impacts on poor households and in particular on employment conditions (Elson, 1995 cited in Katepa-Kalala, 1997; Beall and Kanji, 1999; Moser, 1998). Previously, under policies of modernisation, formal employment was increased as a result of growth in the manufacturing industry in many countries. However, since the 1980s, policies of liberalisation and structural adjustment have affected employment in some areas. Losses of formal manufacturing jobs in some countries and sectors, as well as 'down-sizing' in the public sector have resulted in a large number of men and women looking for jobs in other areas such as part time services sector employment or the informal sector (Potter and Lloyd-Evans, 1998 UNCHS 1996). This has increased the vulnerability of many poor men and women through loss of secure employment and its replacement with irregular or informal sources of income.

Environment and health

The urban poor are commonly concentrated at high densities in areas where they can afford to live – either areas with low rent or on urban land which is lying vacant and can be squatted upon, both of which generally reflect the poverty of the environments and the consequent low demand for such locations (Elliot, 1994). Poor urban men and women make a trade off between the quality and the location of their living spaces – living in areas with poor, insanitary environments in order to be in a

preferred location with access to livelihood-generating assets. These areas are frequently located on polluted land close to industrial facilities or where waste dumps are sited and water courses are contaminated, or on hillsides and river plains which are susceptible to landslides and flooding.

In addition, as noted above, men, women and children working in informal sector enterprises normally work without protection and are vulnerable to accidents in the workplace and the health hazards associated with unsafe working environments and practices. A health survey of Calcutta revealed that many slum areas covered had small scale economic activities which seriously threatened the health of residents and workers, for example, factories producing sulphuric acid vapour in Biplabikhudirampally slum, producing metal dust in Auxilium or the use of heavily polluted water in spoon production in Salt Lake slum (Guha Sapir, 1996).

The result is that the urban poor are frequently vulnerable to significant environmental and health hazards (Wratten, 1995). The urban poor suffer from disease and injuries resulting from proximity to toxic and hazardous wastes, lack of clean water and sanitation and water, air and noise pollution (Satterthwaite, 1997). They are particularly vulnerable to typhoid, diarrhoeal diseases, cholera and intestinal worms from contaminated water and food as well as diseases associated with poor drainage and garbage collection such as malaria (Wratten, 1995; Werna et al., 1998).

As well as being a source of vulnerability in themselves, these environmental hazards feed into other areas – for example, the high cost of treatment for illness is a major cause of indebtedness for the urban poor in India, and income loss through illness can be a major shock to the household economy.

Furthermore, as well as threatening men and women's health and security, poor urban environments may directly affect their ability to undertake livelihoods activities by occupying time which could be otherwise be used for productive tasks. For example, 'simply getting daily supplies of potable water or fuel may absorb the energies of several family members (in particular women and children) who are compelled to allocate their time to these tasks at the expense of seeking income generation work' (Douglass, 1998 p.213). Such tasks may have a particular impact on certain groups – for example, as noted earlier, water and fuel collection in India is generally seen as women's work and the strain on urban environments, particularly in peri-urban areas, can make these tasks time consuming, putting pressure on women's working days and threatening their health through forcing them to walk long distances with heavy loads of wood or water (Brook and Davila, 2000).

The account in Box 1 illustrates how health problems can typically lead to a downward spiral of increasing vulnerability and deprivation.

Box 1 A poor urban household

'A family living in temporary accommodation – bamboo partitions and tar-coated asbestos for the roof... originally they pay nothing (so face the possibility of being evicted at any time)... the husband has TB and a heart condition, he started to be ill 10 years ago... he cannot stand or sit alone, he is mainly in the hospital... she has to stay with him... so the children have been sent to an orphanage... his brother is the main breadwinner of the family (6 people in total)... he takes coolie work in fisheries harbours nearby... he earns 20–30 rupees a day but is likely to have only 15–16 days work a month... whatever they earn goes on the husband's treatment before they buy any food. They have a ration card but do not buy rice because they can't afford it... sometimes a neighbour will buy some rice for them.'

Source: Cochin Corporation and DFID (1996) 'Cochin Poverty Profile Study. Project Design Report' in *Meeting the Challenge of poverty in Urban Areas*, DFID Strategy Paper (2001).

Governance

The relationship of the urban poor to systems of city governance usually depends on their legal status, which is often ambiguous. As noted above, the high cost of shelter in cities frequently forces them to illegally occupy marginal land and many poor men and women work in informal or unregistered activities. They therefore lack the tenure rights that are normally linked to the right to register and vote. Migrant workers also generally lack formal registration or rights, even where they spend long periods resident in cities.

Informal residents lacking legal registration may be disenfranchised and excluded from political decision-making and, in addition, may suffer from police harassment and bureaucracy (Wratten, 1995).

Lack of legal status may also limit the access of informal residents to basic social services (health and education), or financial services (e.g. bank loans). In addition, the prevalence of illegal connection to infrastructure means these services may be summarily withdrawn and households with illegal connections may be fined or otherwise punished.

Specific patterns of vulnerability

The generic sources of vulnerability for the urban poor outlined above represent patterns that have been observed in the course of urban research, but should not be seen as universal truths. Sources of vulnerability are contextually specific to particular cities or neighbourhoods and, moreover, are differently experienced by the various groups of people living in any city or neighbourhood. Some groups, defined along lines such as gender, occupation, caste or ethnicity, may be particularly vulnerable to specific shocks and stresses.

In India, for example, women are substantially over-represented amongst the poorest (women and children account for 73% of those below the poverty line), and it has been asserted that gender differences within the incidence of poverty in urban areas are more intense than those in the rural areas (Barret and Beardmor, 2000).

Another example of a particularly vulnerable group of urban poor in India are pavement dwellers. Pavement dwellers, who erect temporary homes along city streets, are a phenomenon particular to the largest Indian metropolises, and are radically different from what is usually understood by a slum. Predictably, pavement dwellers are amongst the very poorest income groups in urban India. In 1998, it was estimated that there were more than 20 thousand households living on the pavements in greater Mumbai, and research undertaken in that year found that over one third of pavement dwelling households have four to five members (Burra and Riley, 1999). Box 2 describes the particular vulnerability faced by a typical pavement dwelling community.

Box 2 Pavement dwellers in Mumbai

There is a link between the places of residence and the places of work of pavement dwellers, with most too poor to afford the costs of transportation and hence live within walking distance of their work. In particular, the women of these pavement families have to juggle their roles as mothers and as bread-winners, with most women pavement dwellers working in the informal sector in roles such as maids, vegetable vendors, recyclers of carpets, rag-pickers and so on.

Money is always short for them, especially in the event of illness or the death of a working male in the household, which causes a precipitous fall in income. Moneylenders are always on hand, but even though they charge extortionate rates of interest, the seasonality and uncertainty of employment for the urban poor increases their dependence upon these informal sources of credit. Formal banking institutions close their doors to these illiterate people with virtually no assets or security of employment, yet the need for lump-sum payments frequently arises in response to illness, school expenses of children, the purchase of rations or the need to repair flimsy pavement-dwellings. Another key problem are the demolition squads of the Municipal Corporation of Greater Mumbai. Until 1996, pavement dwellers had no rights at all with respect to their house, which were considered to be both illegal and an eyesore by civic authorities. The cycle of demolition and rebuilding would involve an enormous expenditure that these families could ill afford. What is more, since the men in these families would usually be away at work during the day when municipal staff would visit, it was invariably the women who would have to bear the brunt and the trauma of demolitions.

Source: Burra (1999) 'SPARC Housing Exhibitions', DPU Working Paper 104.

While some general patterns of vulnerability for the urban poor can be observed, the SL approach stresses that an understanding of livelihoods and the vulnerabilities that they work to protect against must draw on poor people's own priorities and interpretations. In view of this, a true understanding of urban vulnerability can only accrue from in depth consultation with particular groups of urban poor men and women.

One example of such a self-defined understanding of vulnerability comes from a research project drawing on a participatory evaluation writing method with rural women from different regions in Gujarat and women from various *chawls* (tenements) and slum localities in Ahmedabad (Twigg and Bhat, 1998). The urban women involved in the study are victims of floods, fire, health emergencies and riots in the large city of Ahmedabad and smaller towns such as Rahandapur or Anand. The rural women are victims of droughts and floods or both, or fire or health emergencies. Key man-made hazards faced by the women include regular industrial disasters (in India's most industrialised area) and occasional caste and religious riots. The chief sources of vulnerability as outlined by these women can be seen below in Table 3.

Table 3 Self-defined vulnerability among urban women in Gujarat

Rural women	Urban women
• poor resource base (no or little agricultural land or water) • poor resource quality (less productive/unirrigated land or barren trees) • lack of productive assets (e.g. wells, bullocks and poultry) • lack of access to better seeds, fertilisers and channels of marketing • near absence of activities in the non-farm sector • high degree of indebtedness due to borrowing to meet various relief, consumption and social needs • irregular and seasonal availability of wage labour before and after disaster • low wages received	• lack of employment • irregularity of jobs • lack of employment protection • low wages • high indebtedness • lack of sufficient and timely credit support for their petty trade and micro enterprises
The situation is further compounded by: • illiteracy, lack of education and information on disasters (beyond their direct experience) • lack of awareness of different government schemes and programmes of relief or vulnerability reduction • rigidities of relief distribution under government programmes • incapability of raising and absorbing loans as victims from formal sector credit institutions • a not-so-sensitive bureaucracy • leakages to their groups of benefits meant for victims • prevalent malpractice in support institutions such as relief agencies and the civil supply department that runs the Government of India's Public (food) distribution Scheme • the role of middlemen in the rehabilitation efforts, and individual or government income-generating activities • economic exploitation by non victims • the patriarchy prevalent within the relief-to-rehabilitation cycle	The situation is further compounded by: • constant fear of eviction in certain slum pockets • fear of police and municipal authorities • lack of relatives as well as community support at times of emergencies or crisis • no (or meagre) family support for the old, widows and the deserted • loss of productive assets and the killing of family members during the riots • the frequent ill health of earning members of the family • expensive health services • lack of education • extremely congested and hazardous living spaces • near absence of essential services in the localities • prevalent alcoholism and drug addiction • a situation of despair caused by the loss of a more or less regular job of the husband or any other member in the family in a 'normal' or emergency situation

The study highlighted various points of importance to understanding vulnerability in an SL approach:

- The women participating in the research were well aware that some of them were more vulnerable than others were, and were able to identify the factors leading to this. This indicates that while it is difficult to use clear quantitative measures to 'objectively' assess the extent of vulnerability, people can, and do, use qualitative assessments to rank vulnerability in practice.

- Some easily identifiable groups were particularly vulnerable, e.g. Muslim women who had lost their productive assets like rickshaws, handcarts, sewing machines and lathes in communal riots and were forced to move into less profitable areas of work that did not require this equipment.
- The study highlighted the importance of specific events for the vulnerability of large groups of households, for example the closure of the textile mills in Ahmedabad, which had pushed many households into near-destitution.
- Many coping strategies employed by vulnerable households in response to debt, such as withdrawing children from school and marrying off daughters early, help assuage the crisis in the short term, but increase vulnerability in the longer term.

The research illustrates many of the generic ideas about livelihoods and vulnerability in urban areas. It shows the vicious cycle of debt and poverty that can result from an initial shock, such as illness, marriage expenses or unemployment. Irregular incomes force vulnerable households to use credit and build up debt with friends, peers, petty-shopkeepers, small-time moneylenders and employers in order to buy basic foodstuffs. Lack of access to formal credit often makes them more vulnerable and keeps them entrapped in raising loans and trying to earn and repay the same. Some groups of the unemployed or destitute cannot even raise money from such 'informal' sources. Households forced to pawn or sell their assets and reduce their costs reach the lowest ebb. Coping strategies to reduce costs not only marginalise the whole household; they are also often disproportionately borne by women and female children. Finally, this downward spiral also puts excessive pressure on, and breaks down, community and family support systems – the research highlights that this breakdown of social support networks is more common in urban areas, which are characterised by migrant groups who are already distant from family, etc.

As this case illustrates, *vulnerability* is a difficult area to quantify, and the factors causing vulnerability in a given location are best researched through qualitative consultation. Some tools that may be used to do this in urban areas are outlined in Table 4.

Table 4 Tools for assessing vulnerability

For finding out about...	Method
Events and trends that cause stress (either regularly or intermittently). The existence of trends and sudden changes in such trends	Key informants (including external experts)
Historical occurrence of shocks (e.g. industry closure, earthquakes, major economic reforms, group conflicts)	Timelines
Access to livelihood activities throughout the year (seasonal production activities such as construction, processing of rural produce or migration for agricultural work)	Seasonal diagrams, sample surveys
Relative importance of vulnerability factors to different groups	Preference ranking
Trends	Secondary data
- rainfall, temperatures (link to participatory data)	- meteorological
- producer and consumer prices across the year	- price, economic
- population density	- demographic
- degradation/renewal situation	- resource stocks
- morbidity, mortality	- health

Source: Adapted from DFID Sustainable Livelihoods Guidance Sheets, posted at <http://www.livelihoods.org>

Vulnerability: Conclusions

Vulnerability in urban areas differs substantially from that prevalent in rural areas, and is no less significant. Livelihoods analysis offers insights into the nature of vulnerability and into the opportunities that exist in urban areas for addressing it, ranging from insurance of various kinds, to the creation of safety net entitlements through political lobbying, to income enhancement from the wider range of employment opportunities available to the poor than in rural areas. An important insight is that whilst vulnerability tends to be covariate in rural areas (i.e. many activities depend on the weather, and if unfavourable to one, it is generally unfavourable to most), such covariance rarely exists in urban areas, so that even if one area of livelihoods is affected by vulnerability, others may remain open.

3.2 Access to capital assets

As noted above, Sustainable Livelihood approaches place a heavy stress on the *assets* of poor men and women, rather than, as with previous development approaches, focusing on their needs or deficiencies. This stress applies equally to urban areas, and the categories of assets outlined in the various SL models (Table 5) are sufficiently generic that they apply equally to urban and rural areas.

Table 5 Assets categories in different Sustainable Livelihoods models

Chambers	UNDP	OXFAM, DFID	CARE	Moser
tangible (stores, resources)	human	human	human	labour
intangible	social	social	social	economic and social infrastructure
- claims for material, moral or practical support	natural	natural	economic	housing
- opportunity to access resources	physical	physical		household relations
	economic	economic		social capital
	political			

However, many of the patterns and conditions that tend to characterise urban areas mean that the emphasis on different types of assets used by the urban poor and the factors affecting the accessibility of these assets, tend to be different from those of the rural poor.

In practice, not all assets are owned by, or fully in the control of, men and women who are attempting to use them in their livelihoods strategies – in fact some, like common property resources, cannot by definition be owned by individuals or even households, and others, such as ‘social capital’, cannot be owned, but imply a negotiated relationship. Similarly, services supplied through targeted state programmes are officially accessible to the poor, but in practice institutional and practical barriers may limit the access of the poor to the benefits of such programmes.

It is therefore important to assess and distinguish between *access to* and *control over* assets. Men and women may have access to resources, either within or outside the household, in that they are able to use them in some ways. They may not, however, always have control over these resources. Control

over resources means more than use, as it implies power and a control over decision-making about how and when the resource should be used or distributed. The different access to and control over resources by the various men, women and children both within households and more widely within urban communities is a key area of concern. Furthermore, it should never be assumed that households or community groups are consensual units and that decision-making is undertaken by leaders on behalf of all – rather, this is an area where individuals and groups exercise their power to ensure control over resources.

Sen's concept of 'entitlement' can be helpful in understanding the extent of people's access to and control over resources (Sen, 1981). 'Entitlement' is the ability to command access to different forms of capital assets through the use of financial resources, formal and informal relationships with other groups and individuals or legal rights. An analysis of people's entitlements helps to highlight the power that they can draw on to gain control over and use resources.

The importance of access or entitlement to assets, and the factors determining them, are generally dealt with by SL models through an analysis of Policies, Institutions and Processes (PIPs – see below) and/or of the wider context within which livelihood strategies are pursued. PIPs focus on policies and institutions as well as the processes in reality, which work with or against them. Thus in India, for example, the laws ensuring universal primary education suggest that this is a human capital asset to which all are entitled, while in practice a range of processes and institutions (e.g. the reliance of households on child labour earnings, fiscal poverty of many states/municipalities, informality of urban households such as pavement dwellers precluding access to state benefits) mean that this asset is in fact not accessible to all households and many poor children lose out.

Conceptually, there is some overlap in SL models between PIPs as the determinant of access to the various categories of assets, and some of the assets themselves. Thus, for example, 'social capital' is largely significant as a means of ensuring access to other assets – people mobilise their friendships and family and community networks (i.e. their social capital) to get access to loans, information, accommodation and so on. Similarly, human capital (health, education and skills) is important in determining access to paid work – i.e. financial capital.

Chambers's distinction between tangible and intangible assets (Chambers, 1995) is another way of looking at the difference between access to and control over resources. Thus tangible assets are those physical assets which are owned, while intangible assets such as social capital or legal frameworks help men and women to ensure their access to assets which they do not directly own or have control over.

In addition, Baumann and Sinha (2001) suggest that the ability to influence political processes which determine decision-making and access is something which men and women can build up and draw on – and thus that, in addition to the five capital assets outlined in most SL models, political capital should be considered as a sixth capital asset.

'Political capital is defined broadly... as the ability to use power in support of political or economic positions and so enhance livelihoods; it refers to both the legitimate distribution of rights and power as well as the illicit operation of power which generally frustrates efforts by the poor to access and defend entitlements and use them to build up capital assets.' (Baumann and Sinha, 2001)

Defined in this way, political capital is both an asset and a liability – it represents both a potential source of capital for the poor which can help them to build on their other asset bases, and a source of

vulnerability as other non-poor groups use their political capital to influence PIPs (in Baumann and Sinha's case study local officials, agencies and contractors in a village in Orissa who abuse their political capital to take natural resource project benefits away from targeted poor groups).

One important point in the analysis of the assets being used by households or individuals is that it should not be assumed that assets are all attributed the same value. It is important to distinguish between those assets which are being used out of necessity, because they are readily available (e.g. the use of waste or refuse for income generation), and those assets which are seen as particularly valuable and which may be specially sought out or obtained at some cost (for example in urban areas housing is often a highly valued asset, Moser, 1998; Rakodi, 1999).

As noted above, while capital assets are broad and therefore relevant to both urban and rural settings, the importance of the different categories of capital asset in urban and rural settings is likely to be different. The urban setting means that men and women in poor households are likely to draw more heavily on certain types of asset.

Financial capital

Income from the sale of labour is often one of the most important assets for the urban poor and one which they tend to prioritise – a pattern borne out by the study of vulnerability in cities in Gujarat described above (Twigg and Bhat, 1998). The importance of income for the urban poor relates to the highly 'commoditised' nature of cities, leading to a higher dependence on cash income compared to rural residents who usually have better access to land for subsistence agriculture, to common property or 'free' natural resources (e.g. fisheries, fuelwood, hunting grounds), and who may be paid in kind for their labour (e.g. agricultural labourers may be paid in rice in some areas of India).

City-dwellers' dependence on income as their key asset often means that urban poverty is undercounted – the fact that almost all their assets must be converted into cash in order to be used for consumption may make the urban poor seem less poor in terms of income. However, national and international poverty lines based on income (such as the World Bank's \$1 a day *per capita* global poverty line) rarely reflect the fact that urban dwellers are heavily dependent on cash income and ignore non-market assets that rural dwellers tend to have better access to.

The Government of India,² through the National Sample Survey Organisation, measures poverty with income-based poverty lines weighted to the cost of buying a shopping basket which meets a minimum *per diem* calorific *per capita* intake, based on state-specific rural and urban price indices. This takes account of the higher cost of living in urban areas to some extent through price index weighting, and attempts to look at calorific intake as a common denominator of poverty. According to this measure the ratio of urban to rural poor in India is 1:3.5 (Srinivas, 1999). However, because calorific intake is measured according to a food shopping basket that a household would be able to afford with its *income*, food and other basic goods and services that are not accessed through the market in rural areas may not be accounted for (i.e. subsistence agriculture, etc). In addition, income-based poverty lines based on the cost of an adequate diet tend to underestimate the higher proportion of expenditure that the urban poor have to make on non-food items, e.g. secure accommodation with provision for waste,

² GoI (1997) Ninth Five Year plan (1998–2002) Vol. II. New Delhi: Planning Commission.

water and fuel, transport costs, health care, and the cost of keeping children in school (UNCHS, 2001a; Satterthwaite, 2000).

However, while the urban poor may be more heavily dependent on cash income than the rural poor (and thus urban poverty may be frequently under-represented), it is generally the case that the urban poor have better access to income through the employment and market opportunities that cities offer.

While cities do offer better opportunities to earn income, it should be noted that not all the poor have equal access to income or employment. Access to employment in the informal sector in India is often strongly related to caste or religion, as different communities have established economic niches in areas of employment, production or markets (Benjamin and Amis, 1999).

As well as income from the sale of labour, another key financial asset for the urban poor is access to credit, either public credit, through the formal market, or through informal credit sources or government poverty focused schemes.

However, while credit may be a key asset for the urban poor, many households and individuals are unable to access credit through the formal market, or even through more expensive informal markets. Studies in Latin America and South Asia show how some urban slum dwellers are charged interest of up to 30% per annum (Rutherford, 1999). This is compounded by difficulties for poorer households in accessing public credit schemes, despite the fact that these schemes are ostensibly targeted to the poor. An evaluation of SUME (Scheme of Micro Enterprises), component of the government Nehru Rozgar Yojana programme which has operated in India since 1989, undertaken by the National Institute of Urban Affairs (NIUA)³ clearly illustrates this. Findings from interviews with 522 beneficiaries in four states indicated that loans were far more accessible to better-off and better-educated groups. Specifically:

- 80% of loanees under the scheme were literate (the scheme was mainly advertised through posters and pamphlets);
- only around half the loanees were below the poverty line at the time of the loan;
- the target groups (poorest women, scheduled castes and youths) were not effectively reached. Women represented only one fifth of beneficiaries.

Thus, while financial capital is normally one of the most important asset groups for the urban poor, it is also one of the most problematic as features of poverty reinforce barriers blocking access to employment and credit.

Human capital

Human capital refers to the skills, knowledge and ability to work. Clearly financial capital, in terms of access to employment and earnings, is strongly dependent on adequate human capital. In turn, human capital is highly dependent on adequate nutrition, health care, safe environmental conditions, and education.

³ Survey undertaken by Dr Renu Khosla, NIUA, New Delhi, currently in draft form.

Poor people living in urban areas normally have better access to health services than their counterparts in rural areas. In India, 'the availability of allopathic drug therapy has increased enormously over the last quarter century: every urban slum dweller can have quick recourse to a local chemist or clinic. It is true that the poorest have to make serious sacrifices to afford such treatment, but health being so important they are likely to do so' (Crook, 1996; p.150).

Furthermore, government health programmes tend to have a better coverage in urban areas. A survey of slum households undertaken during the 1990s in Calcutta, for example, showed that over 70% of children in slum dwellings had been immunised as part of a government programme (Guha Sapir, 1996).

However, studies indicate that a disproportionate share of health and education programmes are used by the non-poor, often because the facilities are located closer to their households and because they can better afford services. In addition, government social service subsidies are not well targeted and, consequently, are not efficient at redistributing income (Barret and Beardmor, 2000).

On balance, however, India's urban mortality rates, particularly infant mortality, are consistently lower than those in rural areas. However, while cities tend to have better health care services, it is frequently pointed out that local environments and working conditions in poor urban areas are insanitary and unsafe and residents and workers are therefore exposed to greater health risks (see above section on environment and vulnerability).

In India this may be reflected by the fact that the health advantages of urban living are reduced for older generations – from about 40 onwards tuberculosis is a major killer and young adults are highly prone to accidental injury – environmental hazards offset to some extent the advantage of better availability of treatment (Guha Sapir, 1996).

Furthermore, while healthcare is relatively available, it is generally at a cost (as noted above in the section on vulnerability, large health expenditures are often the initial cause of household indebtedness). The cost of treatment means that access to health services will differ for household members, depending on control over household budgets. A result in South Asian cities is that there tends to be less health expenditure on women and female children, as was documented in the case of a cholera epidemic in Bangladesh where female fatalities were three times higher than male because women tend to be taken to hospital only when the disease is far more advanced (Guha Sapir, 1996).

Urban areas also have advantages in terms of access to education – another key determinant of human capital. According to the 1991 census, rural literacy in India was 36% while urban literacy was as 62% (although it should be noted that this gap is diminishing, as the growth rates of rural literacy have been 2.5% and 2.2% during 1971–81 and 1981–91 respectively, compared to 1.0% and 0.7% respectively for urban areas). Rural areas also have very low levels of female literacy, rooted in society's attitude toward females, so that there are considerable rural–urban differentials, with noticeably low ratios of primary school enrolment among girls in rural areas – attributed to long distances to walk to schools in rural areas.

Natural capital

Natural capital refers to environmental assets such as land, and common property resources (with communal management and traditional systems determining access and types of use) or 'free' (open access) natural resources such as water forests or grazing land.

Natural resources are generally less used in the livelihood strategies of the urban poor, as they tend to be less available, especially in large urban centres. However, they should not be counted out, especially in peri-urban areas where traditionally rural communities are being progressively absorbed into the urban fabric and are dependent both on agricultural and non-agricultural activities. Furthermore some specific groups of urban dweller are dependent on access to natural resources – for example, fishing communities in coastal cities such as Cochin or Mumbai. In addition, some natural resources are routinely used by poor urban residents, e.g. rivers that may be used for washing and even drinking.

Physical capital

Physical capital includes assets such as housing, tools and equipment that people own, rent or use and public infrastructure that they have access to.

Housing is normally one of the most important assets for poor urban households as it is used both for shelter and reproductive purposes and for productive or income-generating purposes (renting out rooms or using the space as a workshop area) (Moser, 1998). The importance attributed to housing is evidenced by the major investments that poor households make in this asset – estimates indicate that a finished house in an informal settlement in India, for example, requires an investment of 20,000–30,000 rupees in current prices, and an unfinished house at least 5,000 rupees (UNCHS, 2001b).

Access to housing includes ownership and various other formal and informal tenure types. In India the range of different types of tenure is wide. Thus, for example, in Delhi the informal settlements of the urban poor can be divided into six categories: (a) *Jhuggi Jhompri* (slum) clusters, illegally built on public or private land, but often provided with some services through the mediation of a powerful informal landlord, which accommodate about 2.5 million people; (b) resettlement colonies, built as part of state initiatives to relocate about 1 million slum dwellers; (c) legally notified slum areas, mainly in dilapidated housing in the medieval walled city; (d) unauthorised colonies built on private land in contravention to planning zones; (e) peri-urban villages, which have been urbanised outside the jurisdiction of the Municipal Corporation and are therefore unplanned; and (f) pavement dwellers, estimated at as many as 70,000 people in the city proper (Dhar Chakrabarti, 2001). Within the various categories of dwelling area, furthermore, householders may be owners, illegal occupants, state-registered occupants, or renters. This wide range of types of access to housing has different implications for the value of housing as an asset to particular households and also to the extent of their insecurity.

Ownership of, or secure access to, housing can be key in ensuring access to other resources. For example, even housing in informal settlements, if registered, can be used as collateral for credit. Households may need a fixed address to qualify for government schemes or to find employment. In India, pavement dwellers, who do not have secure access to housing cannot access subsidised government hospitals or fair price shops because they lack an address to register under (Guha Sapir, 1996).

Where housing is used to access credit it is important to distinguish between those who own their own housing (even where this is in illegal settlements) and those who rent. Squatter settlements include large rental populations who find it harder to access credit. One study of Rajaeshwair Nager, a squatter settlement in Bangalore, notes that informal moneylenders from outside the settlement will only lend money to those who own their own houses – so renters in the settlement rely on pawnbrokers for credit with the result of high levels of indebtedness (Benjamin and Amis, 1999).

As well as being an asset in itself, housing is often a key determinant of other assets (Schilderman, 2001), such as human capital (through the important link between quality of housing and health) and social capital, as mutual support networks of work through neighbourhood relations and Community-Based Organisations (CBOs), membership of which generally rely on secure access to housing and to the locality of housing.

Another key issue determining the value of housing as an asset is its location. Housing which is close to employment opportunities or markets will improve residents' access to income-generating work and will reduce transport costs, which can be a significant expenditure and time-drain for the urban poor. Furthermore, local communities of informal workers often make up specialist districts and attract employers to specific areas – for example, the squatter settlement of Abedkarnager in North Bangalore houses a community of workers with skills in road construction, which attracts road contractors to the area when hiring labour (Benjamin and Amis, 1999). In view of the importance of the location of housing, forced relocation of informal or squatter households, even where this includes benefits of secure tenure and improved services in the resettlement site, can have disastrous effects on resettled households, particularly as resettlement sites are usually on peri-urban fringes where land is cheaper but where households are distant from their established sources of livelihood and the employment opportunities of the central city. In Delhi, where resettlement initiatives have been undertaken to rehabilitate slum households, some resettlement colonies have been successful due to their proximity to new employment centres, but in the majority of resettlement sites which were far from workplaces, 30–40% of relocated households have sold the rights to their housing and returned to the city slums for better access to employment (Dhar Chakrabarti, 2001).

Another important physical asset for the urban poor is public infrastructure. Superior infrastructure and services are often cited as one of the pull factors drawing rural migrants to cities, and indeed the urban poor often have better access to public infrastructure than the rural poor. WHO figures demonstrate this: in 2000, access to improved water sources in urban areas stood at 92%, whilst in rural areas access was 86%. However, when comparing access to improved sanitation there is a much greater contrast: in urban areas, 73% of the population had access to improved sanitation, whilst in rural areas, access was only 14% (WHO/UNICEF, 2000). Nonetheless, while overall access to sanitary infrastructure is better in cities, many urban poor households have limited access to public infrastructure, especially those in illegal or unrecognised dwellings, and those that do have access to infrastructure often have access to lower quality facilities than those used by wealthier households. In India, Kundu observes that approximately 34% of the urban poor are not covered by piped water supply and are obliged to obtain water from sources that are mostly private and at a cost higher than that of the piped supply. The number of persons per public standpipe in low-income areas far exceeds the norms established by public authorities (150 people per stand), and low pressure, interrupted supply and distance from dwellings all contribute to less than adequate service. Furthermore, less than 40% of households with a monthly *per capita* expenditure of Rs. 85 (1993) or less have a toilet facility, and about 70% of those who do share it with other households (Kundu, 1993).

Increasingly, public infrastructure is not free access, particularly as programmes of economic reform have involved the loss of subsidies and the introduction of user fees for many services. In Pune, India, in response to a crisis in sanitation infrastructure in 1999 (with ratios as low as 1 toilet per 2,500 residents), the municipal government, in partnership with a coalition of NGOs, built 237 toilet blocks with over 3000 toilets to be owned by local residents and managed, over a period of 30 years, by local NGOs. However, while local communities officially own the facilities, NGOs imposed a fee of 20 rupees per household per month for local users to cover costs.

Another issue around the poor's access to public services is that of corruption and the control exercised over such services by local officials. A system of report cards for public services which has been operating in the city of Bangalore since the mid-1990s, surveying both middle class householders and slum dwellers, revealed that up to one third of the very poor in the city routinely had to pay bribes (often representing a large proportion of their income) in order to get a public service or solve a public service related problem (DPU, 2001b).

However, while the urban poor often suffer from low quality public services, improving public amenities and services in urban settlements may be of ambiguous benefit to very poor households. These improvements are often part of a wider process of 'regularising' settlements. This has obvious advantages for residents in terms of improving local environments and facilities, as well as securing tenure for homeowners. However, for renters and pavement or terrace dwellers, the regularisation process can lead to their eviction as space is rationalised, building regulations introduced, and the market value of accommodation and rents rises.

Other physical assets such as jewellery or household goods may be obtained to satisfy cultural norms and basic needs. In addition to these roles these assets can also act as a store of value and be pawned or sold during times of crisis (Chambers, 1997).

Social capital

A key asset for both the urban and the rural poor is social capital. Social capital refers to networks of mutual support that exist within and between households, extended family, and communities, which people can mobilise to access, for example, loans, childcare, food, accommodation and information about employment and opportunities (Moser, 1998; Dersham and Gzirishvili, 1998). Some also argue that strong social capital can help communities in mobilising to make demands for services and rights to the state (Putnam, 1993).

As well as local social relations, social capital may also include the wider networks of social relations between poor and non-poor, including systems of patronage – systems, which may not always be benign.

However, social capital is a valuable and critical resource for poor urban households, especially during times of crisis and socio-economic change. The existence of informal social networks significantly decreases the likelihood of poor men and women perceiving their household's food, economic or housing conditions as insecure (Moser, 1996; Dersham and Gzirishvili, 1998).

Generalised characteristics of social capital in cities are difficult to identify, as the concept is rooted in relationships between specific individuals and groups, and therefore tied to specific locations.

Furthermore, to view the social capital of the urban poor as a distinct phenomenon would obscure the strong linkages that frequently exist between urban and rural households with extended family or other linkages, which may rely on each other for support in response to crises or shocks – social capital often transcends a city to include wider rural–urban linkages (Tacoli, 1998).

Studies in urban India show the importance of social networks in terms of information for those looking for work and for accommodation. One study, in Shimla, revealed that many rooms and flats are never advertised – generally word of mouth and personal recommendations are the main way of hearing about accommodation, meaning that those individuals and households that are integrated into a social network are more likely to be able to access accommodation (Sharma, 1986).

However, while social capital is an important asset for the poor, processes of urbanisation and migration may weaken social networks for some groups, as discussed above. According to a World Bank study, community and inter-household mechanisms have been weakened by social and economic heterogeneity in India, and increased communal violence and social fragmentation can be attributed to loosening social ties, competition for access to scarce resources, and the widening gap between rich and poor (Pantoja, 1999).

Nonetheless, public policy can use and build on social capital in cities. In India, the national Urban Basic Services for the Poor (UBSP) programme has been criticised because resources distributed through the programme were not reaching target households. In response to this problem, a system of Community Development Societies (CDS) was set up in Alleppy, Kerala, made up of women from households designated ‘at risk’ who fulfil at least four out of a list of nine poverty-related criteria. This approach shows how social networks can be formalised to improve decision-making, in this case about how UBSP budgets were used, and make this decision-making more responsive to the needs of the poor (DPU, 2001b).

Another example of how social networks can be formalised to disperse information is the NGO SPARC (the Society for the Promotion of Areas Resource Centres) which works with a coalition of Indian NGOs and CBOs to host housing exhibitions to promote alternative approaches to the design, construction and management of housing by slum dwellers. These provide a forum for exchange of information, to build links between poor communities and public agencies, and to draw public attention to efforts by the poor to improve their access to housing.

Political capital

One criticism of Sustainable Livelihoods as a holistic approach to development is its failure to explicitly address issues of power, and it is argued that ‘a rights-analysis (founded on a concern for maximising human agency and freedom) provides one way of addressing political and institutional relations’ (Norton and Foster, 2001). Thus the incorporation of Rights-Based Approaches (RBA) into SL analysis can help to elucidate issues of power in determining access to assets.

As noted above, one way of looking at poor men and women’s access to rights is through a notion of political capital, as outlined by Baumann and Sinha (2001), on the basis that the ability to influence political processes which determine decision-making and access is something which men and women can build up and draw on.

In India, the capacity for poor urban men and women to make demands on the state is mixed. Some successes of CBOs influencing state actions have been documented. However, the informal or illegal status of many urban poor households often limits their rights to influence formal political processes. Furthermore the very process of urbanisation may reduce people's capacity to influence political decision-making. In their study of Hubli-Dharwad, Brook and Davila (2000) note that when villages are incorporated into the Hubli-Dharwad Municipal Corporation due to urban growth, they lose their village council (*Panchayat*) and instead elect representatives to the Corporation. Research indicates that 'the village council, which is made up of members from the village, is closer to the village in terms of decision-making, while the HDMC seems more remote and less accessible.' The change in status also mean that residents lose access to the Department of Agriculture, meaning that those continuing to farm in the peri-urban villages lose access to information, subsidies and rural credit schemes.

However, individuals, households and communities may have formal or informal (patronage) links with officials and politicians which they can mobilise to influence their access to resources. For example, some 'revenue sites' on peri-urban village land (which must be reclassified in the masterplan to be legalised) may be quickly legalised and others may wait for periods as long as ten years, or be rejected. The perception is that this is dependent on connections of residents or residents groups with middle or lower -level officials. In India such connections are often mobilised along lines of ethnicity, one study in Bangalore showing that migrant communities from Tamil Nadu were able to mobilise the support of local Tamil politicians in supporting planning decisions around their settlement (Benjamin and Amis, 1999).

Access to assets: Conclusions

Similar differences between assets that the poor **own** and those to which they have **access rights** exist in both rural and urban areas, and livelihoods analysis is useful in analysing the implications of this distinction. The incorporation of rights-based perspectives can be useful in analysing access arrangements, especially the ways in which they are mediated and, at times, threatened. But the character and relative importance of the assets themselves differ between rural and urban. Accommodation and food have to be paid for in urban areas, but are generally 'self-produced' and of low financial cost in rural areas, so that financial capital is relatively more important in urban than in rural areas. Again, ownership and access arrangements are less rigid in urban than in rural areas, so that individual poor households in urban areas are less likely to be locked into specific kinds of asset deprivation.

3.3 Livelihood strategies

It is argued that policy will be more effective and equitable if it begins with an understanding of household-level strategies, and uses a livelihood systems framework to understand the linkages between smaller units such as households and communities and the larger scale economic social and political processes operating in and on the city (Beall and Kanji, 1999). The livelihood strategies that poor men and women employ in order to make a living and to promote their and their households' security can be categorised according to a variety of criteria.

One of the principal distinctions is that between *coping strategies*, which are short-term responses to a specific shock (such as job loss of a major earner in the household, or illness), and *adaptive strategies*,

which are a long-term change in behaviour patterns as a result of a shock or stress or in an attempt to build asset bases (Singh and Gilman, 1999). Both have implications for the composition of the assets (i.e. depletion, regeneration) from which they are derived.

In addition to defining types of livelihoods strategies according to their time frame, and the extent to which they are viewed as part of a long term plan rather than a temporary response to necessity, attempts have also been made to define livelihood strategies, or components of livelihood strategies, according to the nature of the activities that they involve. Rakodi (1999) distinguishes between the following types of strategy:

- investment in securing more of an asset – this may promote security and also allow for diversification or intensification of activities;
- substitution of one asset for another – for example, compensating for the declining availability or quality of natural capital by increasing inputs of physical capital;
- disposal – the sale of assets such as livestock, land or jewellery, to compensate for a consumption shortfall or to release funds for investment;
- sacrifice – for example, not investing time and resources in fostering reciprocal social relations, thereby reducing future ability to draw on social capital; sacrificing children's ability to earn adequate incomes in future by withdrawing them from school because of the inability to pay fees or need for their labour.

Another general characterisation of different types of livelihood strategies distinguishes between strategies that are:

- income-enhancing;
- expenditure-reducing – especially significant if the former are limited by a ceiling;
- based on collective support ; and
- external representation – negotiation with local authorities, NGOs, etc.⁴

Clearly there is some overlap between these ways of categorising livelihood strategies, as can be seen when specific examples are looked at. Thus for example, growth in female labour force participation, argued to be the single most important coping strategy amongst the lowest income households in India (Barret and Beardmor, 2000) could be seen as *income-enhancing*, as women work to increase household income; *investment*, as women make an effort to invest their time and labour into building financial capital; and based on *sacrifice*, as the time demands of labour force participation necessarily mean that women have to cut back on other household reproductive activities or social obligations. However, while such categorisations may be overlapping, they are still useful in highlighting the variety of activities that poor men and women employ in pursuing livelihoods.

Another categorisation of livelihood strategies, as used by CARE (Carney et al, 1999) looks at strategies from the point of view of support activities to livelihoods that can be provided by agencies such as CARE, distinguishing between:

- livelihoods promotion – activities to improve households' resilience;
- livelihood protection – activities to help prevent a decline in household livelihood security, e.g. early warning systems, cash or food for work, health education;

⁴ Presentation to DFID Urban Sustainable Livelihoods workshop, November 1999, by Cecilia Tacoli, IIED.

- livelihood provisioning – direct provision of basic needs, usually in emergency situations.

Table 6 Livelihood strategies often used by poor households

Strategy	Mainly urban	Urban and rural
income-enhancing/ investment	• domestic services – cleaning and childcare (esp. girls and women) • urban agriculture • renting out rooms	• home gardening • processing, hawking, vending • transporting goods • casual labour, piece work • specialised occupations (e.g. tinkering, food preparation, prostitution) • child labour • migration off seasonal work • begging • theft
expenditure-reducing/ sacrifice	• scavenging • cutting transport costs	• mortgaging and selling assets • selling children into bonded labour • changes in purchasing habits (e.g. frequent smaller quantities, not bulk buying) • buying less and/or cheaper goods and services • discrimination within the household (e.g. giving less to less powerful or less favoured household members)
collective support	• communal kitchens • communal childcare	• mutual loans or savings groups • putting out children for care in extended family • remittances from household members working away

Source: Adapted from Chambers (1997), UNCHS (1996) and Moser (1998)

Clearly many of the strategies – particularly coping strategies, which are reactive responses to shocks – while solving short term problems for some of the household may worsen their vulnerability in the long term and may immediately worsen the conditions of some members of the household (while benefiting others in the short term). Some strategies may actually increase vulnerability in the long run (e.g. sending children to work rather than to school) (Moser, 1998). This example is a significant problem in India where, according to a UNICEF report, child labour represented 4.3% of all employment by males and 7% of working females in urban populations in 1991 (Guha Sapir, 1996).

As well as these specific types of livelihoods strategies, various authors point to the importance of diversification as an overarching strategy for the livelihoods of the poor. Many poor urban households diversify their sources of income and draw on a portfolio of activities, such as formal waged employment, informal trading and service activities with different family members engaging in different types of activities and sectors of the economy. This can have both positive and negative impacts on livelihoods. Diversification reduces dependence on one source of livelihood and so reduces vulnerability to specific stresses and shocks. However, engaging in too many activities can mean that households are not able to invest sufficient time or resources in any one activity to make it profitable.

Box 3 shows how an individual has diversified his activities to reduce dependence on one less profitable activity.

Box 3 Diversifying livelihood strategies – a case study

Shankar (28), a migrant from Tamil Nadu, has worked as a loader in one of the shops in KR Market (Bangalore) for the last ten years. Until three years ago he was working only as a coolie and his earnings were just enough to meet his food and clothing expenses. Then he started a sugarcane juice stall, which improved his situation, although this is a seasonal business. Thus the first sixth months of a year he pushes his cart selling sugarcane juice and in the latter half he works as a coolie in a *godown* (store). During the lean season he parks his cart in the *godown* of a shopkeeper known to him. Earnings vary. In the sugarcane season he earns as much as Rs 500–600 a day. He has been able to save enough for his father to purchase two acres of land back in his village in Tamil Nadu. However during the off-season he often has to resort to the moneylender to meet emergency expenses. Shankar's mother died recently of cancer and he had to borrow Rs 45,000 to meet hospital expenses and to perform her funeral rites. He is confident that he will be able to pay back this money during the sugarcane season. Until then however he pays 5% interest per month on this loan.

Source: Benjamin and Amis (1999)

Another important strategy for the urban poor in particular is household consolidation – often a lengthy and dynamic process (Beall and Kanji, 1999). This process may mean that households remain fluid in size, composition and location, as members seek long term security in the city, while retaining links beyond it. In India, the Self-Employed Women's Association (SEWA), which assists women micro-entrepreneurs with credit, training and other support, has recognised housing as a key economic asset and focus for livelihood investment strategies and extends housing loans to women.

The types of strategy open to different households depend largely on (as well as helping to determine) the nature and situation of the household. Rakodi (1999) broadly distinguishes households caught in a 'permanent circle of poverty', those in a 'vicious cycle of impoverishment', and those in a 'virtuous cycle of improving livelihoods and investment'.

In addition to these broad groupings, household choices may be determined by (Rakodi, 1999):

- the range of assets held by a household and the relations of production and power within it, which influence choices made;
- the distribution of material resources amongst its members, the gender division of labour, and the internal distribution of welfare outcomes;
- the household's life cycle, which influences the availability and calls on the time and energy, of its members and other resources;
- the geographical situation of a household and the community of which it is a member, which influences the availability of natural and physical capital, as well as opportunities for economic activity and access to those services which help to determine the quality of human capital;
- the external economy of a household or settlement, including its relations with wider economic, political and social systems which influence its access to resources and shape the available opportunities.

Livelihood strategies are more than a response to contextual factors and the assets available, however. They are also the result of men's and women's objectives and choices. These in turn are affected by

individual and cultural preferences – for example, gender stereotypes about what type of work is suitable for women or men.

One issue of importance around how livelihood strategies are addressed by SL models is the emphasis on *household* strategies – drawing a distinction between inter- and intra-household strategies. Most SL models (e.g. CARE, DFID, Moser, etc.) stress the household as a key unit of analysis. Urban livelihood strategies are normally analysed at the ‘household’ level. In order to do this it is necessary to define what is meant by a household. Urban households can be defined as task- or activity-based units – in this light it is important to consider members who are not directly part of the physical household. Non-resident family members often make some contribution, for example, workers living away from home in mining compounds, road construction gangs or live-in domestic service. Moreover, rural family members might support urban households through production of subsistence foodstuffs, supplying traditional medicines or through looking after the children of older family members so that the middle generations can take up employment, as well as making demands on urban family members for remittances (Beall and Kanji, 1999).

In addition, caution should be taken in using the ‘household’ as an analytical category, as:

- households may not be consensual; some members may not benefit from ‘household’ strategies, which may rather reflect the interest of powerful individuals within the household – the practice of female infanticide in India is one of the more extreme illustrations of this;
- individuals within the household may have separate, and not always complementary strategies;
- inter-household and community-level strategies are also of key importance to the livelihoods of the poor– especially for collective strategies around, for example, ‘external representation’.

Harrison and McVey’s (1997) study of street trading in Mexico City shows the importance of space for livelihood strategies in the urban setting, describing the conflicts arising over street traders’ attempts to retain access to trading space in the face of redevelopment of the historic city centre.

Livelihood strategies: Conclusions

Poor households will at certain times be forced into strategies that potentially form part of a downward spiral – such as when a productive family member dies, or there are dowries or medical expenses to pay. These may, in the worst cases, even necessitate the sale of their few remaining assets. But, in general, the poor have a wider range of possibilities for accumulation and ‘positive exits’ from poverty in urban than in rural areas, largely attributable to the wider range of employment opportunities available, the closer proximity of politicians and public service managers whom they can lobby, and less restrictive class and caste relations.

3.4 Policies, Institutions and Processes (PIPs)

The PIPs (earlier, ‘Transforming Structures and Processes’ in the DFID approach to Sustainable Livelihoods) refer to the levels of government institutions and public policies, as well as private sector practices and policy, and civic, cultural and economic and economic institutions that operate in society, which together help to determine and set parameters for the livelihood strategies which are open to poor men and women. Clearly, in setting a context for poor men’s and women’s livelihood strategies

there is some overlap between PIPs and the vulnerability context.

The importance of PIPs for understanding livelihoods is key. In many ways it is the relationship between PIPs and vulnerability context that determine the choices that are open to people in pursuing their livelihood strategies. One important way in which they do this is by influencing the extent of men's and women's access to or control over assets. It is therefore at this point of analysis that the SL approach corresponds most strongly to the Rights-Based approach to development, which is concerned with what people's entitlements should be over the long term. While SL approaches look more at what impact exclusion from rights has on people's livelihoods in the short term, however, both are concerned with the policies, processes and institutions which determine the access of the poor to resources and entitlements – and in, particular, SL approaches may be key in identifying which rights should be prioritised and in understanding why people do or do not take up entitlements available to them (Farrington, 2001).

However, one major criticism of the SL framework and its usefulness in linking micro-realities with meso or macro policy levels is that so many of the key contextual issues affecting poor men's and women's access to assets and livelihoods strategies are conflated into the 'PIP box', to the extent that this area may be too broad to be a useful analytical tool (Norton and Foster, 2001). It may therefore be useful to define or categorise the various policies, institutions and processes more clearly.

It is also important to note that PIPs are not set in stone. While many institutions and structures may appear permanent, they are socially constructed and thus, while they may be resistant to change, they are not unchangeable. In this light, one of the main underlying justifications of the SL approach is its scope for identifying, through an analysis of the micro-level realities of household and individuals, the meso and macro processes, or PIPs, which need to be transformed if the livelihoods of the poor are to be made more secure.

In urban areas, a range of PIPs are of key concern in their impacts on men and women's livelihoods, some of which are outlined below.

Policy

The urban poor are linked into structures of governance through their dependence on the delivery of infrastructure and services by city institutions, as well as through the impact of meso- and macro-level policies (Beall and Kanji, 1999; Katepa-Kalala, 1997).

One area of policy that has the potential for building the security of poor households' livelihoods is that of pro-poor policy. In India over the past decades since the seventh Five Year Plan, which was the first to explicitly address the needs of the urban poor, aiming to improve the access of the urban poor to amenities such as education, health care, sanitation and safe drinking water (Guha Sapir, 1996), a range of policies and programmes have been instituted with the specific objective of improving the living conditions of the urban poor. These include the Nehru Rozgar Yojana (NRY, 1989), Urban Basic Services for the Poor (UBSP, 1992), the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP, 1995), Environmental Improvement for Urban Slums, National Slum Development Programme. In 1997 the Swarna Jayanti Shahri Rozgar Yojana was launched to replace the UBSP the NRY and the PMIUPEP, which were overlapping.

Such programmes have had some impact on access to credit and resources for the urban poor. According to evaluations of the programmes, over 7.5 million beneficiaries have been reached by the UBSP and almost a million by the NRY. However, as the number of urban poor stood at 76.3 million in 1993–4, the coverage of these policies is not enough to reach the majority of poor households (Srinivas, 1999).

In addition, the accessibility of apparently universal or even explicitly poverty-focused programmes is often a problem for the poor. For example in India, the government subsidised fair price shops tend to stock better quality grains and pulses which are still too expensive for the poor despite subsidies and, apart from in West Bengal and Kerala they only open their doors once a month, which means that, as the poor do not generally have the money to buy in bulk for the month ahead this service is of limited use to them (Kabra and Itteryah, 1992, in Mendelsohn and Vicziany, 1998, p.152).

Furthermore, in addition to failures of pro-poor policies in reaching the poor, many other areas of policy are accused of actively working against the interests of the poor – for example planning processes. While it is estimated that 63% of employment in Delhi is in the informal sector, including the majority of poor men and women, informal sector enterprises are largely unrecognised and often actively discriminated against in planning (Dhar Chakrabarti, 2001).

Another set of (macro-level) policies that frequently work against the poor are the current policies of liberalisation and structural adjustment, which mean that there is less scope for funding redistributive policies. Instead, there has been a move from citizens' rights to 'market rights', i.e. the opportunity to engage in market relations, which by definition work to exclude those on low incomes (Johnson and Start, 2001). In addition, while the rationale of structural adjustment is that economic growth in the longer term will lead to reduced poverty, in the short term the stresses imposed by adjustment policies frequently push individuals and households into poverty (through, for example, public sector retrenchment, or loss of basic subsidies, as discussed above in the section on vulnerability). Studies indicate that increases in poverty due to structural adjustment are more likely to increase urban poverty, through factors such as the loss of public sector employment and subsidised public goods and services, both of which are more important for urban than rural economies. However, studies also indicate that in many counties in Africa, for example, small rural farmers have been impoverished as a result of structural adjustment programmes, through the rise in the cost of inputs, the lifting of agricultural subsidies and the withdrawal of the state in marketing, and increases in the prices of basic commodities and in public service fees as well as feeling second hand effects of increased urban poverty, as remittances decline and migrants return to their rural homes, increasing the burden there (Beall et al., 1999).

Urban governance

In addition to the impact of policies on the livelihoods of the poor, the ongoing linkages between the poor and city institutions are also significant in determining their access to resources and decision-making. A number of authors have highlighted weaknesses of local and municipal governments, which are frequently unable to address the needs of the poor and in some cases actively exclude and discriminate against them. One particular problem area for the institutional relationship between poor households and city institutions is the exclusion of households that are classified as irregular, illegal or informal – often the majority of poor households. In the light of this inability of the state to deliver there has been renewed interest in decentralisation, democracy and citizen participation, representing a

potentially major shift in state–community relationships in many cities (Banuri, 1998). It should be noted however, that this move is linked both to democracy for its own sake and to state attempts to devolve responsibility to the poor to pay for their own infrastructure and services.

Cultural institutions

Social and cultural institutions can have a major impact on poor households' access to resources. One cultural institution in India which has traditionally had a very significant impact on the access of different groups of people to a range of livelihoods assets is the construction and division of communities along lines of caste, which has strongly influenced access to employment, education, property and services. The general stereotype of caste *vis-à-vis* urbanisation is that this institution is increasingly less influential in cities, as the social structure in increasingly fluid and 'traditional' social relationships are eroded.

One important area of caste determining access to resources is the practice of ritual pollution, calling for the segregation of lower castes with regards to the consumption of water and food. In the practice of ritual segregation '...there is a sharp divide between life in the cities and in the relatively progressive region of Bengal on the one hand, and life in the villages. In the former, such discrimination in places of public resort is now rarely encountered.' In this case it is argued that, in cities, a culture of pragmatism, rather than egalitarianism, has changed things. 'Either people do not care about the traditional values of purity and pollution in the context of untouchability, or at least they are prepared to go along with the prevailing modern culture while in the city. The same people may revert to 'traditional' more discriminatory culture during stays in their ancestral village' (Mendelsohn and Vicziany, 1998, p.125).

However, while there is evidence that some practices relating to caste are gradually becoming less common in cities, there is also still evidence that caste affects access to livelihood assets – in particular employment – in cities. In Indian cities the capitalist, professional and business class come overwhelmingly from higher castes (such as Brahmins, Rajputs, Kayasthas and Banias). Furthermore, while laws exist to protect the employment of scheduled castes (or *dalits*) in public sector employment 'the almost complete absence of *dalits* from areas of private employment other than menial or manual' is evidence that in practice discrimination continues (Mendelsohn and Vicziany, 1998, p.267). In addition, the existence of squatter settlements known as *harijan bastis*, or untouchable villages, suggests that caste does remain a significant source of social identity, particularly in reference to poverty and spatial exclusion (Dhar Chakrabarti, 2001).

However, while caste does appear to continue to have an influence on people's access to resources in cities, it is important not to make an assumption that all backward castes have the same experience of exclusion, as caste often interacts with other social identities. Thus, for example, a study of the city of Visakapatnam indicates that members of backward castes which are indigenous to the city (Gavaras, Reddikas, Rellis and Jalaris) tend to be 'upwardly mobile' and politically active, while other backward caste groups who have migrated to the city from rural areas tend to remain poor, illiterate and politically disenfranchised (Kumar and Amis, 1999). Box 4 gives an example that illustrates the complex relationship between caste and livelihoods in Indian cities.

Box 4 Urban livelihoods and caste in Cuttack

About 1500 unskilled employees of Cuttack Municipal Corporation are from the sweeper or scavenger caste, and work at night collecting soil from latrines and cleaning drains. These workers are concentrated in a few slums. Paradoxically, though they are the lowest status slum dwellers (in caste terms) they are in general more financially secure than other slum residents, as they are unique among slum dwellers in having a monopoly access to permanent jobs because of their ritually 'unclean' work of sweeper. They are able to afford *pucca* (brick and mortar) houses and many of them have significant savings. However, because of their low status, their economic power cannot be translated into leadership roles in wider slum areas. Nonetheless, many of their sons and daughters are training for higher status urban occupations and public sector jobs as peons and drivers

Source: Loughhead et al. (2001)

As noted above, policies that attempt to promote the interests of scheduled castes and tribal people do exist. However, these are not unproblematic. Many of these benefits are criticised as being nominal or inadequate, and are often politically inflammatory. Further, employment protection and subsidies for scheduled castes are often administered through the original areas of tribal and scheduled populations. Therefore, migration to cities may involve sacrifice of these assets.

Another set of cultural institutions in India which influence livelihoods are those relating to gender – the roles which are deemed to be appropriate for men and women and their rights and entitlements to assets. One striking trend in India that illustrates the impact of these gender norms is the sex ratio. While in most countries women are marginally in the majority, in India the sex ratio (female to male) has been declining from 1901 to 1991, except for a small rise in the 1981 census in all the states, excepting Kerala. This is largely attributed to women's lower status in Indian society (access to assets determining health status), which has contributed to their higher mortality rate in all age groups up to 45 years. In the 1991 census, the number of females was 407 million, nearly 32 million less than the number of males. However, there are different patterns in urban and rural areas – in rural areas, the sex ratio has declined from 949 females per 1000 males in 1971 to 938 in 1991, whereas it has improved in urban areas from 858 to 894 during the same period (Srinivasan and Shariff, 1997). Another related pattern relates to the impact of gender norms on human capital, for example, the adult literacy rate in 1997: female 39.4%, male 66.7% (UNDP, 1999).

Furthermore, gender norms can have an important impact on intra-household relations – in India the fact that women and female children are largely less valued household member means that they are often excluded from decision-making and more likely to lose out in times of scarcity (for example, the data on health expenditures in the section on vulnerability). It should further be noted that policy and institutional practices are often shaped by, and may reinforce social institutions such as, gender – thus, for example, in Twigg and Bhat's (1998) study in Gujarat, described above, 36% of women among the respondents were the sole breadwinners in their households and another 18% contributed 50% of household income, but when dole for work is given by non-governmental organisations it is mostly for men.

Other cultural institutions such as the use of assets for traditional investments – such as dowries – also have a major impact on livelihoods, as can be seen in Twigg and Bhatt's case study on vulnerability in Gujarat (see above).

Urbanisation

In addition to policies and institutions, various ongoing processes impact on livelihoods. One key process in cities – particularly quickly growing cities, including the majority of cities in India – is that of urbanisation. This may present opportunities for some and problems for others. For example, a study of Hubli Dharwad showed that the main impact of urban expansion for peri-urban villagers was positive as it improved men's access to casual non-farm labour, which helps to balance the seasonality of farm labour demands (Brook and Davila, 2001). However these opportunities were not felt to a great extent by women who find it hard to break into non-farm casual labour and have therefore been filling the gap as a growing part of agricultural labourers – despite the fact that they are paid less than men for equivalent work in this field. In addition, urban expansion has had some negative impacts on landless households in peri-urban villages as pressure on land often means the loss of common property resources such as grazing land and fish tanks, on which landless households are disproportionately dependent.

Policies, institutions and processes: Conclusions

Again, the range of policies, institutions and processes which the poor face in urban areas is similar to that characterising rural areas, though there are substantial differences in the individual elements. In terms of formal institutions, a principal barrier faced by livelihoods approaches in rural areas is the fragmentation among individual government departments. By contrast, in urban areas, municipal authorities generally have responsibility for providing a wide range of services and so offer potential advantages of 'single window access' and coherence from the livelihoods perspective. The PIPs element of the SL framework is widely critiqued for its 'black box' nature. Much could be done to make it more useful in a policy frame: the introduction of 'rights' perspectives, for instance, could help in identifying how the access by poor people to entitlements is facilitated or denied, and by whom.

4. Research Tools for SL Analysis in Urban Areas

The SL approach is an *analytical* framework, not a research or information gathering methodology. However the nature of SL analysis means that certain types of indicator or information need to be collected in order to effectively use the analytical model – information about assets, sources of vulnerability, PIPs, etc. Quantitative research may be useful to scale up SL analysis, in order to give insights into background context, or to highlight broader (city-wide or national) livelihoods trends. However, various aspects of the SL approach mean that SL analysis needs a core of qualitative research, based on approaches such as Participatory Rural Appraisal (PRA), including:

- the focus of the approach on concepts such as vulnerability, social capital, or institutional processes and relations which cannot be usefully quantified;
- the people-centred focus of SL approaches, which means that research needs to be based on participatory approaches and thus makes a pre-defined research agenda difficult;
- the need to highlight the priorities and rationales of poor women and men in pursuing their livelihoods – information which can only be extracted through qualitative approaches and discussion.

Various models have been developed which combine PRA approaches and use of primary and/or secondary quantitative data collection to collect information for SL analysis – these include the UNDP's Participatory Assessment and Planning for Sustainable Livelihoods (PAPSL) model (UNDP, 1998), or CARE International's use of Livelihood Profiles in its Household Livelihood Security Analysis (CARE International, 2001).

However, for the main part, collection of information for SL analysis can be done using and combining established research techniques, including review of secondary data and quantitative and qualitative (PRA) research tools. Some existing approaches to data analysis which may be useful in feeding into SL analysis are those such as Stakeholder Analysis or Gender Diagnosis, which help to discipline researchers to disaggregate different groups of men and women according to the activities that they undertake and the different impacts that PIPs and shocks and stresses have on them. Another established tool which can be useful for SL analysis is sensitivity and risk modelling, which can be used to forecast the potential impact of shocks and stresses such as natural disasters or economic or policy change.

Table 7 provides some suggestions of various PRA techniques that may be helpful in building an understanding the various dynamics of a particular area in relation to SLs:

Table 7 PRA techniques in relation to Sustainable Livelihoods

PRA method	Brief description	Particularly useful for
seasonal calendars	graphical depiction of seasonal events or trends	vulnerability context, assets, strategies
transect walks	land-use maps based on walking through particular areas	quality and quantity of natural, physical capital
resource maps	maps identifying resources	existence of shared natural, physical capital
social maps	maps locating key social features	access to services and infrastructure
preference ranking	ordinal ranking based on pairwise comparisons, with reasons stated for the choices made	livelihood strategies, assets, access to services
matrix ranking	preference ranking based on defined criteria with scoring	access to infrastructure, livelihood strategies, investment choices
wealth ranking	assigning households to well-being categories	strategies and assets needed to exit from poverty, relations between social groups
Venn diagrams	diagrammatic representation of key institutional interactions	social capital, relations between social groups, institutional and policy environment

Source: DFID Sustainable Livelihoods Guidance Sheets, posted at <http://www.livelihoods.org>

While a range of existing PRA tools can be used for SL research, the applicability of specific tools for research in urban and rural areas varies. An example of this is CARE International's work, carried out in Kosovo, analysing poverty and vulnerability in (rural) villages and urban neighbourhoods. During the research various implications emerged for the suitability of the PRA tools that they were using – these, along with some of the urban/rural findings, are outlined in Table 8.

Research tools: Conclusions

SL analysis needs to draw on a wide range of existing tools. Participatory techniques are foremost among these, and some distinctions can be identified between urban and rural areas in the applicability of these. But, especially in project preparation, it will be necessary to draw on a range of technical and economic skills similar to those used conventionally, the difference being that in SL approaches these are used from the starting point of where the poor currently are, and how they are managing their livelihoods. Also, SL approaches seek to begin with a small number of entry points, and build up in a carefully sequenced 'process' fashion.

Table 8 Some rural and urban differences regarding PRA tools used

Tools	Urban	Rural
mapping	• boundaries unclear (where does a neighbourhood end and another begin?) • big events remembered – e.g. houses Serbs fled from • range and complexity of infrastructure: different roads, schools, municipal buildings, bus stops, etc.	• village boundaries clear • good knowledge of ownership • some infrastructure (road, electricity, etc.) • maybe one school, if that
historical profile	• hard to define neighbourhood as separate from city: tendency to combine two as one • knowledge of recent history of neighbourhood • little long term knowledge – high turnover of people	• defined place within which things happen • better long term knowledge, with more established families
institutional analysis	• lots of institutions: school, police, NGOs, welfare organisations, etc. • wide recognition of agency names but little knowledge of the role of most of them • little personal contact with most agencies e.g. NGO vehicles driving through	• fewer institutions known about but a greater depth of understanding of those that are known about
economic activities analysis	• not possible to generalise about a neighbourhood – ‘urban anonymity’ • commuting reduces local knowledge: people may live in the neighbourhood but work elsewhere and vice versa. • numerous kinds of jobs: probably almost as many as can be thought of within the area • wide range of activities, skilled to unskilled, professional to manual, etc. (however high unemployment) • seasonality an issue for casual workers, who find more manual outside work in the summer • more choice of jobs with wider range of skills • welfare locally available, e.g. local soup kitchens.	• narrower range of activities • seasonality based on agricultural calendar • limited choice of livelihood activities: less types of work, etc. • more gender-based differences in economic activities
livelihoods profile	• difficult to generalise • wider range of livelihood categories as household livelihoods are more diversified	• differences more discernible • may have very few categories as people have similar livelihood strategies.

Source: CARE International (2001)

5. Using Sustainable Livelihoods Approaches in Cities

Given the nature of urban conditions in relation to the core SL concepts, as explored above, there are various implications for the scope of using SL approaches in urban areas. These include some general features of the SL approach that would need to be addressed in any intervention, including urban interventions (5.1, below), and some features that have specific implications for their use in urban areas (5.2).

5.1 General implications of SL approaches for practice

A variety of general implications of the SL approach for practice are worthy of note.

Need for organisational change

As noted earlier, the principles of the SL approach include features such as the need for approaches to be people-centred and multi-level (implying a need for participatory and decentralised decision-making processes) as well as being holistic (implying a need for co-operation between the range of actors working in many sectors which are often, in practice, addressed as discrete). Therefore, if the bodies involved in development and urban governance intend to deliver SL approaches, there may be a need for organisational change as many institutions are not equipped to operate in this manner (Hobley, 2000). The need for organisational change in city institutions to deliver SLs already has a head-start in many ways, due to the focus over recent decades on participatory governance and decentralisation, which has led to many cities fostering participatory and decentralised urban governance, with examples such as Porto Alegre's Participatory Budgets (Brazil), Naga City (Philippines), or Tilburg (The Netherlands) (DPU, 2001a). However, such approaches remain the exception, rather than the norm in most cities.

However, one area that may increase the scope for using SL approaches in cities, in view of the multi-sectoral or holistic view of SL models, is that cities tend, unlike rural areas, to have central city authorities responsible for co-ordinating activities across different sectors, while, in contrast, although some countries have departments for rural development, their co-ordinating role tends to be weaker and line ministries frequently work independently in rural areas (Farrington et al., 2001).

Longer term interventions

Another implication, also linked to the underlying principles of the SL approach, which is of particular relevance for external agencies is that, rather than one-off projects, the most successful initiatives involve longer-term processes whereby options for the poor are increased, local decision-making is developed and exchanges lead to improved learning.⁵ The significance of this for bilateral urban interventions, in particular, could be that it is more appropriate to focus on transforming PIPs, rather than on delivering assets to poor households. This would mean a focus on activities around urban governance, policy advocacy and urban institution building rather than on the delivery of specific

⁵Presentation to DFID Urban Sustainable Livelihoods workshop, November 1999 by Cecilia Tacoli, IIED.

sectoral projects, such as infrastructure or direct provision of housing, if SL objectives are to be fulfilled in the long term. Thus in India, for example, Sida could take a role in working towards better urban governance, using the 74th Amendment as an entry point,⁶ or focus on their role in partnering broad strategic interventions such as the Cities Alliance or the Urban Management Programme (UMP).

Sectoral entry points/ pragmatism

The focus of SL on people-centred approaches (i.e. the identification and implementation of interventions that reflect the priorities and realities of poor men and women themselves) suggests that specific points of intervention, or sectors to be addressed, should be determined through consultation with local people. In practice this may be unrealistic as the mandate or focus of various departments, organisations or wider programmes that SL approaches are being adopted by frequently have pre-determined sectoral focuses. In addition, in a number of cases, SL approaches are being incorporated into existing projects or programmes that already have a sectoral focus. However, while these focus points reflect the interest of the institutions carrying out the research, and are therefore, to a certain extent, ‘supply’ rather than ‘demand’ driven, this does not necessarily mean that using the SL approach in this way is not useful. Staff at DFID⁷ argue that despite the sectoral entry points of many SL interventions, SL approaches are useful as they can widen the focus and ongoing impacts of sectoral interventions, looking at their knock-on effects on broader asset bases and livelihood portfolios, as opposed to measuring impact in terms of narrow criteria relating only to the specific sectoral intervention.

Furthermore, while an ideal SL approach would be people-led in focus, the need for pragmatism means that this cannot always be the case. The institutional relationships between the bilateral, multilateral agencies and international NGOs who are currently advocating SL approaches, and their national partners may often mean that there is a need to compromise around the use of SL approaches, as national partners frequently work along sectoral lines and are often committed to predetermined entry points – Turton (2000) cites the case of a DFID-funded watershed management project in India which illustrates this.

Need to link in with existing activities

An associated issue is that, in the interests of pragmatism, there is a need to work with existing initiatives in order to initiate SL approaches in urban areas, focusing on those city-level programmes and institutions which offer the most scope for incorporating SL approaches.

In Indian cities, this could be done through two broad approaches. One would be to work with overarching urban development programmes that could incorporate SL analysis as a methodology. An example of this type of city-level programme is the Urban Management Programme (UMP), which is working, for example, in the city of Chennai. The UNDP are currently looking at how they can link SL into the Urban Management Programme. Other broad programmes, such as national urban poverty programmes like the Swarna Jayanti Shahri Rozgar Yojana, referred to above, also have scope for

⁶ As suggested in ERM ‘Issues Paper on Urban Environment in India’ – Summary presentation of preliminary findings to Sida, 24 August 2001.

⁷ Discussion with staff from the DFID Rural Livelihoods Office and the IUDD.

incorporating SL analysis to identify specific areas for intervention and key constraints to poor people's livelihoods.

Another approach for linking with existing initiatives would be to identify ongoing sectoral programmes to support on the basis of an SL analysis. Thus, for example, if Sida undertook an SL analysis of urban poverty in India by undertaking research into livelihoods in a range of cities, they should be able to identify priority areas for the urban poor and key barriers blocking access to resources and key areas of vulnerability. On the basis of this analysis they would be able to identify specific on-going sectoral programmes which should be supported to make an optimal impact on urban poverty.

Linkages between mitigation and development

One important area highlighted by the SL approach, through its focus on the everyday vulnerability faced by individuals and households, is that development activities need to address and safeguard against sources of vulnerability. This has institutional implications for organisations working in development and disaster mitigation, which are normally seen as distinct areas of activity and dealt with by distinct departments or agencies. In fact, as has been highlighted by CARE's work on household livelihoods security (Sanderson, 2001), the SL approach highlights the need to build mitigation measures into *ongoing* development work if they are to be effective in protecting against vulnerability rather than treating disaster mitigation and relief as a separate sphere of activity.

Importance of micro-macro linkages

Another key implication of SL approaches is their stress on the importance of micro-macro links, and the capacity SL research has for highlighting the beneficial or deleterious effects that policies can have on the livelihoods of the poor, as discussed in the previous section. SL approaches can therefore be a key input for bilateral organisations such as Sida in influencing urban policy, through helping to identify areas to prioritise (i.e. what areas are most important for improving the livelihoods of poor urban residents). The micro-macro links revealed through SL analysis are also significant in relation to agencies fostering the 'Rights-Based' approach to development, as they can help to understand which rights are prioritised and/or made accessible through PIPs in practice.

5.2 Implications of SL approaches for urban interventions

In addition to general implications of the SL approach, there are also various specific implications of using SL approaches in urban areas:

Relevance of methodology

One discussion that has been raised about SL approaches in cities, in view of their origins in work focused on the relationship between rural poverty and the environment, and their roots in Integrated Rural Development (Tacoli, 1999) is the extent to which the concepts and tools used in SL analysis are appropriate for use in an urban setting. Satterthwaite (2000) notes that Chambers and Conway's (1992)

initial work on SLs was developed as a way of challenging assumptions about rural poverty *and its stress on 'sustainable' was in part because of the dependence of most poor rural dwellers on natural capital – so soils, forests and freshwater systems needed to be exploited in a sustainable manner (and poor dwellers' access to them also sustained)*. He therefore argues that caution should be exercised in using this framework for a context in which natural capital is significantly less important, where livelihoods tend to be ultimately focused on income, or financial capital (however, various authors stress the importance, in particular, of social capital and housing, or physical capital, for the urban poor, which belies the idea that the urban poor are exclusively focused on income).

However, other agencies with experience of practical applications of SL analysis in urban areas, such as CARE, argue that the underlying concepts of SL analysis are equally applicable to urban areas. The need for different tools, in their experience, relates to the methods used for field research to collect data on livelihoods that do need to be tailored to urban or rural settings (as illustrated by the Kosovo example in section 4, above).

Stress on environmental sustainability

A linked concern for SL approaches in urban areas is the emphasis on the relationship between household livelihood strategies and environmental sustainability. This link is clear in rural areas, where households are directly dependent on, and often forced to deplete natural resources for their livelihood activities. In cities the relationship between household behaviour and environmental sustainability is often more removed. While urban households suffer directly from poor local environments, the impact of their behaviour on the environment is more indirect, through consumption patterns and workplaces. The model may therefore be less useful for highlighting these links in cities.

Importance of linkages

If SL approaches are to be used in urban areas, one important proviso is that this can only work if linkages between individual cities and other (rural and urban) areas are made explicit and understood. This applies equally to rural SL projects – for example in an ongoing DFID project on the *Chars* (delta sand islands) in Bangladesh, the use of SL analysis has highlighted the importance of urban linkages to these rural islands through migration and remittances which are a key component of local people's livelihoods.

Furthermore, the lack of clear distinctions between 'urban' and 'rural' areas and populations means that discussions of urban poverty and livelihoods, as separate from rural poverty and livelihoods are problematic, despite the fact that some broad patterns emerge in the context and livelihood strategies of urban and rural households. In order to understand the urban poverty in the face of diversity of conditions faced by urban populations it is therefore necessary to work on a case-by-case basis, working through the SL principle of understanding local contexts in a people-centred way, through drawing on local people's knowledge and priorities.

Emphasis on housing as a key asset

One key area which tends to be highlighted in discussions of Sustainable Livelihoods in urban areas is the importance of *housing* as an asset and *housing consolidation* as a key strategy for reducing vulnerability for the urban poor – although, as in any SL analysis, this assumption needs to be tested in specific cases according to the realities and priorities of local households. As a specific point of intervention, dealing with access to housing could therefore be a key strategy in urban development interventions, as it usually represents a vital input for both reproductive and income-generating activities, in particular for women who often carry out much of their informal income earning activities in their homes. Furthermore, research indicates that housing also has major impacts on other asset bases, including social capital (often based on local residential and community networks), human capital (through the impact of housing on health), financial assets (through the importance of housing location for access to employment), and political capital (through the importance of CBOs in making demands from the state).

Politicised nature of urban areas

One final concern for the use of SL approaches in urban areas relates to their role as administrative and political decision-making centres. The SL principles present a pro-poor participatory and decentralised agenda, which may run contrary to local institutional practices and vested interests. The fact that many urban areas are the seat of political power means that those wishing to foster SL approaches in cities must confront or enlist the support of the various agencies that operate there as ‘urban areas tend to be highly politicised and projects must work closely with municipal and sometimes national governments from the outset’ (Carney et al., 1999, p.5).

6. Conclusions

Livelihoods approaches have the advantage of placing the poor at centre stage, and of exploring aspects of their livelihoods which are commonly neglected. These include the multidimensional nature of poverty itself, the diverse and dynamic nature of their 'portfolios', the complex nature of vulnerability, and the complexities of accessing both capital assets and entitlements provided by the state and others. Livelihoods approaches are likely to be more costly than conventional approaches for the preparation of projects and programmes; they are also likely to be slower in the sense that they start with a few entry points and gradually build up. On the other hand, there is growing evidence of their advantages: they tend to generate better projects, but, of equal importance, they improve 'process', not least by placing all development agency and government staff disciplines on an equal footing, and by encouraging all to focus centrally on the poor and their conditions.

Livelihood approaches originated in rural contexts, but this review suggests that there is nothing inherent in urban settings to prevent their application there. Indeed, there is much to argue that the need for livelihoods approaches in urban settings is pressing, and that the returns to their implementation might be high. Central to these arguments is the fact that in most countries, population levels in urban areas are growing at double the rate of rural areas, and a clear understanding of the range and dynamics of their livelihoods is necessary if the substantial opportunities for supporting them, and absorbing more rural poor into the higher potential livelihood settings of urban areas, are to be exploited.

There remain a number of areas in which livelihood approaches could be strengthened, and the prospects for doing so are good in urban areas. These include improved articulation of knowledge of poor people's livelihood options, and how these are influenced by existing programmes, into the macro-level design of new policies and programmes. This suggests scope for livelihood approaches to feed into new planning events such as the Poverty Reduction Strategy processes. It also suggests a need to 'unpick' the black box of Policies, Institutions and Processes, and rights-based approaches may usefully be drawn upon in this regard. Certainly, the fact that municipal authorities provide services across several sectors and are in close proximity to the urban poor enhance the prospects of influence by livelihoods approaches on the kinds of policies and programmes they devise.

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Appendix 1 What does it mean to work with a SL approach?

The following schema is proposed by the UK-based group In-Development Limited (IDL):

- For IDL, SL is: an approach (people- and livelihood-centred) to a development problem (multidimensional poverty).
- The starting point is always an analysis of how people thrive and survive and key opportunities/leverage points.
- The second step is agreement on the desired outcome – the development ‘prize’. This analysis is derived from the livelihoods analysis (it relates to people’s livelihood goals) but centres on issues to do with an *‘institutionalised reduction in the transaction costs involved in deriving a sustainable livelihood’* (e.g. reducing risk, better access to information, better returns, etc.).
- The next step – also linked to livelihoods analysis – is to clarify the operational context and development factors that determine what is feasible (the scope, scale, size and risk of intervention). The more positive the operating environment (e.g. greater commitment to poverty eradication, strong decentralisation policy, stable government, an ability to think cross-sectorally, absence of conflict, strong economic growth, etc.), the more may be possible. For example, in Uganda, it is reasonable to work towards reconfiguring national governance to promote agricultural livelihoods, while in Zimbabwe, goals are necessarily more modest.
- Decisions are then made on the nature of intervention. This may range from UN reform of normative functions to sectoral policy reform, to community capacity-building projects or even food aid. The point is that there is no ‘typical’ SL programme or project arising from use of an SL approach. Because of the infinite variety of livelihoods and the infinite variability in the operating context, SL interventions can take any shape or form. But all share a grounding in an analysis of livelihoods and all seek an institutionalised reduction in the transaction costs involved in deriving a sustainable livelihood.
- In this schema the SL principles (people-centred, responsive and participatory, multi-level, conducted in partnership, sustainable, dynamic) are considered to provide a useful description of the type of approaches that will promote livelihoods. They do not, however, act as either a starting point or a list of defining characteristics for SL approaches.
- There is a core focus on process and finding the most appropriate ways to work. Key issues include: bringing in stakeholders; building capacity to respond to a changing agenda; developing a vision; and focusing on finding the best ways to deliver development outcomes.

Source: Carney (2001)

Appendix 2 Sustainable Livelihoods, rights and poverty reduction strategies

**Paper for Sida Poverty Seminar, Sandhamn, 22–4 October 2001.
John Farrington, ODI, London.**

Sustainable Livelihoods approaches

SL approaches put the poor at the centre of analysis and aim to identify interventions to meet their needs and opportunities. Part of the value of a SL approach lies in providing an inclusive and non-threatening *process* by which the capacity of development specialists to think beyond conventional sectoral or disciplinary boundaries can be enhanced. This is in addition to whatever improved *products* it achieves in terms of, e.g. better design of the interventions themselves.

Table 9 Generic features of PRSPs

- medium and long-term perspectives for poverty reduction;
- country-driven and owned;
- based on broad participatory processes for formulation, implementation and outcome-based progress monitoring;
- partnership-oriented;
- results-oriented, focusing on outcomes that would benefit the poor;
- recognises the multidimensionality of poverty;
- located within the long-term vision of a Comprehensive Development Framework.

An SL approach is based on a wider view of poverty than conventional income-based approaches, recognising also the importance of ability to access resources and entitlements, reduce risk and vulnerability, and exercise voice; it therefore emphasises that the poor *do* have assets, options and strategies, no matter how constrained, and that they are decision-takers; it offers the prospect of identifying entry points for pro-poor change, and of sequencing activities in such a way as to minimise the danger of appropriation of benefits by local élites.

At the same time, the SL approach faces several implementation difficulties: in reality, project preparation generally has to be ‘owned’ or ‘championed’ by a single government department; the framework and some of the concepts used (e.g. social capital) may be unfamiliar and forbidding to many; it is likely to be more costly to implement than conventional project preparation, and faces the difficulty of identifying what can be scaled up from local-level discussions with the poor to wider areas; it demands more administrative and financial flexibility than is conventionally available (though Medium Term Expenditure Frameworks may reduce this constraint); and unless particular care is taken, it may ignore intra-household interactions (such as the demands placed on women and children) and the relations between households and wider structures of politics and power. Finally, if donors continue to promote Sector-Wide Approaches (SWAPs), these may unduly limit the focus of SL approaches.

What does it mean to work with an SL approach in practice?

- View SL as an approach (people- and livelihood-centred) to a development problem (multi-

dimensional poverty).

- The starting point is an analysis of how people thrive and survive and key opportunities/leverage points.
- Next step is to agree on desired outcome (based on people's livelihood goals) – always has to do with *institutionalised improvement in the ease with which people achieve a Sustainable Livelihood* (e.g. *reducing risk; better access to resources and entitlements; higher returns to labour etc*).
- Then clarify the operational context that determines what is feasible (who controls power and who is 'excluded'; degree of government commitment to poverty reduction; absence of conflict; stability of government; effectiveness of decentralisation...).
- Define the nature of interventions to address the development problem within the given operational context.
- Get the *process* right (buy-in within donor agency and partners; developing a vision; agreeing on sequences; building capacity to monitor change and respond to it).

There is no blueprint regarding the level or scale of SL-based interventions: can range from community capacity-building to supporting sector-wide approaches or structuring PPAs that feed into a PRSP.

Rights-based approaches

Rights in this context are *claims that have been legitimised by social structures and norms*. They include civil and political rights (freedom of speech, religion, political affiliation and assembly; rights of women and children) and economic, social and cultural rights (e.g. rights to health, education, shelter, land and a livelihood). In an ideal view, rights are universal in that they apply to everyone, and are indivisible, i.e. they are all equally important.

For development agencies, the concern is not just with what rights people *should* be entitled to, but also with understanding whether people can claim the provisions to which these rights entitle them, and how the capacity of groups currently excluded from these entitlements can be enhanced. It is this interpretation that offers scope for closer interaction with the new architecture of aid and with SL approaches. In this interpretation, RBAs can include:

- strengthening organisations of the poor;
- rights information and education for the poor;
- participatory planning that allows people to define their own priorities;
- training for officials responsible for service delivery to ensure equity of treatment;
- reform of laws and policies, in relation to, for instance, land tenure;
- legal representation to enable people to claim their rights;
- monitoring by civil society organisations of the performance of public institutions and the budget process (i.e. enhancing downward accountability); and
- strengthening the capabilities of police and the courts.

Rights-based approaches suffer a number of conceptual difficulties. These include:

- The difficulty of systematically incorporating a time-dimension in the consideration of rights, so that, for instance, they do not illuminate environmental questions, such as what rights present generations have in relation to those of future generations in the exploitation of non-renewable (or only slowly renewable) resources.

- The difficulty of conceptualising an appropriate balance between rights and responsibilities: refusal to accept joint responsibility for the management of common pool resources such as forest, grazing land or water leads to inefficiencies and inequities in their management, and almost invariably also to environmental damage.
- The difficulty of defining when cultural specificities override wider rights or responsibilities, or when some interpretation of the wider good should require suspension of ‘normal’ rights, as in civil emergencies.
- Difficulties in resolving tensions among different levels at which rights are conceived, or in identifying whether precedence should be granted to one or other level: the rights of women and children in international conventions which governments may have signed, may for instance, be very different from those allowed by cultural traditions within those same countries.

Implementation of rights-based approaches, and links with Sustainable Livelihoods approaches

In addition to these conceptual difficulties, the *implementation* of rights-based approaches poses some difficulty: financial constraints require pragmatic prioritisation, which is at odds with the principles of universality and indivisibility. Nor are rights-based principles alone adequate to guide such prioritisation, and this is one area in which SL approaches can help. Further, if they are to demand their rights effectively, the poor need to be empowered, and such shifts in the balance of power will inevitably provoke resistance by existing elites.

There is considerable overlap in the founding principles of rights-based and SL approaches: both emphasise the importance of influencing policies, institutions and processes in ways that enable people to achieve better access to entitlements and resources. The main difference between them is that rights-based approaches are concerned more with *what* people’s entitlements are, or should be – often over the long term – whereas SL approaches seek to assess *what impact* the presence or absence of certain entitlements has on people’s livelihoods.

Depending on local context, it might be appropriate for rights-based approaches to advance incrementally among the entire population, or to advance in a piecemeal fashion, prioritising those groups where disadvantage has been great, yet the possibilities of change are substantial. SL approaches can assist in identifying these sequences and how performance against them might be assessed. They can also help in identifying why certain groups have not taken up their rights (e.g. to send children for primary education).

SL, rights and the new architecture of aid

To recap, it is important to note that SL analysis and the current generation of country-level development strategies promoted by the new architecture operate at different levels and with different scope: the strategies are frameworks helping to shape national policy and national and international public expenditure, whereas SL offers a number of *principles* which might reinforce these strategies, and SL *analysis* is one of the tools that can help to construct the strategies and ensure that they focus appropriately on the poor.

However, SL and rights-based approaches share a number of concerns:

- a desire to identify the various causes of poverty and how these might be addressed;
- promoting the long-term sustainability of people’s capacity to manage their livelihoods (as well as elements of financial, institutional, social and environmental sustainability);

- achieving a high degree of national ownership in the struggle against poverty (and RBAs can contribute particularly to this);
- working across sectors (but SWAPs may reduce the prospects for this);
- working in partnerships between public and private organisations;
- participation by the poor in influencing the design and delivery of the services and support they need; and
- management of the process of change, monitoring closely the impact of policies and making course-corrections as necessary.

SL analysis can make a number of contributions to the design and implementation of country-level development strategies, e.g. by:

- identifying groups of poor people according to their main livelihood sources;
- identifying the main sources of vulnerability associated with these livelihoods, which are not normally considered systematically in planning processes;
- identifying the main assets relating to these livelihoods, which would include the normally considered physical assets such as land, water and forest, but also economic assets such as employment opportunities, and social assets such as informal safety nets;
- identifying the qualitative aspects of the above, which tend to be neglected for the quantitative.

It can also support *implementation* of the strategies by:

- emphasising the heterogeneity of the poor, of conditions that cause poverty, and of ways of addressing poverty;
- identifying entry points and sequences for policy intervention so that implementation structures and procedures can be designed for improved access by the poor to the public administration, and increased downward accountability by the administration (this being a concern also of rights-based approaches). Depending on local circumstances, such approaches might involve greater decentralisation of administrative responsibility and the prospect of closer collaboration among government departments;
- identifying the qualitative and quantitative impact of existing policies on livelihoods, what types of course-correction need to be introduced, and how;
- identifying implementation constraints.

Ten lessons

Our review of SL and RBAs in relation to the new architecture of aid, especially PRSPs, suggests the following 10 lessons:

1. The strength of SL lies as much in *process* (e.g. commonality of purpose and vision within aid agencies) as in better *projects*.
2. The perfect is the enemy of the good in both RBAs and SL – ‘start small’ in practical ways which will identify entry points, sequence, priorities....
3. Don’t get hung up on SL frameworks – use SL perspectives (vulnerability; access to assets...) routinely, and the framework periodically to assess dynamics.
4. Supplement SL by ‘rights’ perspectives to understand power, institutions and processes better.

5. If left to lawyers, RBA will not get beyond civil and political, and the potentially insuperable gaps between rhetoric and reality: economic, social and cultural rights are at least equally important.
6. Resource constraints and contextual differences mean that RBAs have to be prioritised locally if they are to be useful.
7. SL can add reality to the scoping and implementation prospects of PRSPs.
8. RBAs can enhance ownership of PRSPs.
9. PRSPs are an opportunity for SL and RBAs to reach from micro to macro and influence public investment and management of change.
10. It is not a question of 'either/or' – PRSPs need *both* SL *and* rights perspectives if they are to be strengthened.

Implications for donors

1. If SL and RBAs are to be adopted as part of donor strategy, a central statement is needed on their expected roles – to have one or other championed by different departments is potentially divisive.
2. For me, the appropriate balance is:
 - Use 'civil and political' rights perspectives at the level of international conventions, etc.
 - Use SL perspectives (household strategies, vulnerability, access...) to understand poverty at micro level, inform donors, governments and other agencies on priorities and sequences for investment; also to monitor existing interventions.
 - Don't get hung up on a SL 'framework', but occasionally use it to examine the longer-term dynamic of poverty, and to explain to a wider public the rationale of aid allocations.
 - Use a different level of rights approaches (i.e. mainly economic, social, cultural) to supplement livelihoods-focused interventions. Remember: rights are mainly about redistributions of entitlements, resources, power, etc. and without the kind of growth trajectory that SL seeks to support, may simply amount to redistributing misery.
3. Ensure the incorporation of SL and RBA perspectives into planning, monitoring and evaluation exercises, at project and programme levels.
4. Ensure adequate training for donor staff and consultants in SL and rights approaches.
5. Establish an office or helpdesk to assist in: identifying persons with SL experience for missions; commissioning appropriate training; drawing out lessons from practical experience; publishing these in the public domain; identifying areas that require clarification and commissioning appropriate work, etc.



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