

In this Chapter, we shall examine how we go about promoting livelihoods in practice. We begin by revising the key lessons from the conceptual and practical approaches described earlier. Then we will walk through a step by step methodology, which answers an important question – “On what basis does one choose an appropriate livelihood promotion methodology for a particular target population group in a particular location in a particular period?” The obvious, but ambiguous answer is, “It depends”. The significance of the Contingency Approach is that it answers two questions:

- “What does the livelihood promotion methodology depend on?”, and
- “How does one select from various alternatives?”

8.1 Key Learnings from the Conceptual and Practical Livelihood Approaches

We have so far studied several conceptual livelihood approaches – the Sustainable Livelihood Approach (SLA), the Rural Livelihood Systems (RLS) Framework, and Coolies’ Framework; and the three broad practical approaches viz. Opportunities based, Entitlements based and Highly-Disadvantaged Segments approaches, using illustrative examples and cases.

In addition, we looked at three possible political responses – Exit, Voice or Loyalty. The first is typified by Naxalites and other groups working beyond the Constitution’s ambit. The second type of response ‘voice’, illustrated by the work of rights based activists such as Sankar Guha-Neogy, Medha Patkar and Aruna Roy, while the third response ‘loyalty’ exemplified by large and effective government programs such as APSERP, *Kudumbashree* and BRLP. All of these responses, in their own way ensure that the poor get enhanced access to their rights and entitlements and through this process, secure their livelihoods.

The key learnings are summarized below:

The essence of the SLA way of thinking or beliefs holds that livelihoods are more than just employment or income. Livelihoods are a way of life for poor households, which provide not just the basic means of living, but also an identity, a place in society that define their prospects in life even up to the next generation. Poor households adopt livelihood strategies depending on the assets they hold and the external environment they face. This helps the vulnerable households cope with the risks and shocks they face. The external environment comprises of various institutional norms; some local or traditional, some recent and formal, which either support or restrain their livelihoods.

Policy, institutions and processes differ from the vulnerability context in that the latter principally comprises of *exogenous* trends and events (shocks, seasonality, economic trends), while the former comprise of social and political aspects, which are typically *endogenous* to the norms and rules of the society that the poor live in.

It is useful to make a broad distinction between effects on livelihoods over which people have little or no control (the vulnerability context) from those that are the result of history, politics, assertion, negotiation and opportunities in which local communities can actually or potentially engage and participate.¹⁸⁰ Thus, any effort at livelihood promotion requires understanding and acting upon the asset endowments (or limitations) of the poor, the risks they confront, and the institutional environment that either facilitates or blocks their endeavor to build pathways out of poverty. While there can be little control on adverse events such as shocks, disasters and so on, the abilities to cope, or the resilience and the asset base can be built in a planned fashion. Thus the SLA helps the livelihood practitioner to go beyond the old 'livelihoods is employment and income generation' paradigm, to the wider paradigm that it truly represents.

The SLA has been adapted by different bilateral and multilateral development organizations. Differences arise over the appropriate scale or level of livelihood action, for example, the society as a whole, the community, the household or the individual; over the emphasis placed on rights and claims compared to enterprise and markets; over the social and political as opposed to the economic; and over the rhetoric and reality of efforts to achieve a real measure of participation and empowerment of the poor.¹⁸¹

¹⁸⁰ Ellis, Frank (2000). Rural Livelihoods and Diversity in Developing Countries, Oxford University Press

¹⁸¹ Husein, Kareem (2002). Livelihoods Approaches Compared: A Multi-Agency Review of Current Practice, DFID

Table 45: Sustainable Livelihood Approach of UNDP & DFID

	UNDP	DFID
Goal	To promote access to assets and their sustainable use	To understand livelihood strategies adopted by the poor
Entry point	Adaptive or coping strategies employed by people	Assets or structures and processes that maximize people's opportunities

Both DFID and the UNDP have used the SLA. The UNDP's goal, within its overall mandate, is to promote access to assets upon which people rely, and their sustainable use. In order to do this, and to understand how assets are utilized, it uses the adaptive or coping strategies that people employ in their livelihoods as its entry point. In contrast, DFID aims to understand the livelihood strategies adopted by the poor as part of its overall framework, but, in principle, it focuses its development activity either on the assets themselves, or on structures and processes. The rationale being that this method will maximize people's opportunities over the long-term.

In contrast to the SLA, where the primary focus is economic, with some consideration for institutional influences, the RLS places much more emphasis on the social and cultural aspects of livelihoods – the value orientations of people, the role of gender and power relationships, and the meaning of livelihoods, including the aspects of dignity and an identity in society. This is shown in **Figure 23**.

The Coolie's Framework gives importance to the opportunities-based approach. It recognizes the internal and external contexts that affect the livelihoods of the poor, and offers a detailed understanding on how livelihood promoting organizations can design interventions, primarily in the economic space. It is useful in putting a conceptual approach into action by identifying specific economic activities in a value chain that can be pursued beneficially by a large number of the poor.

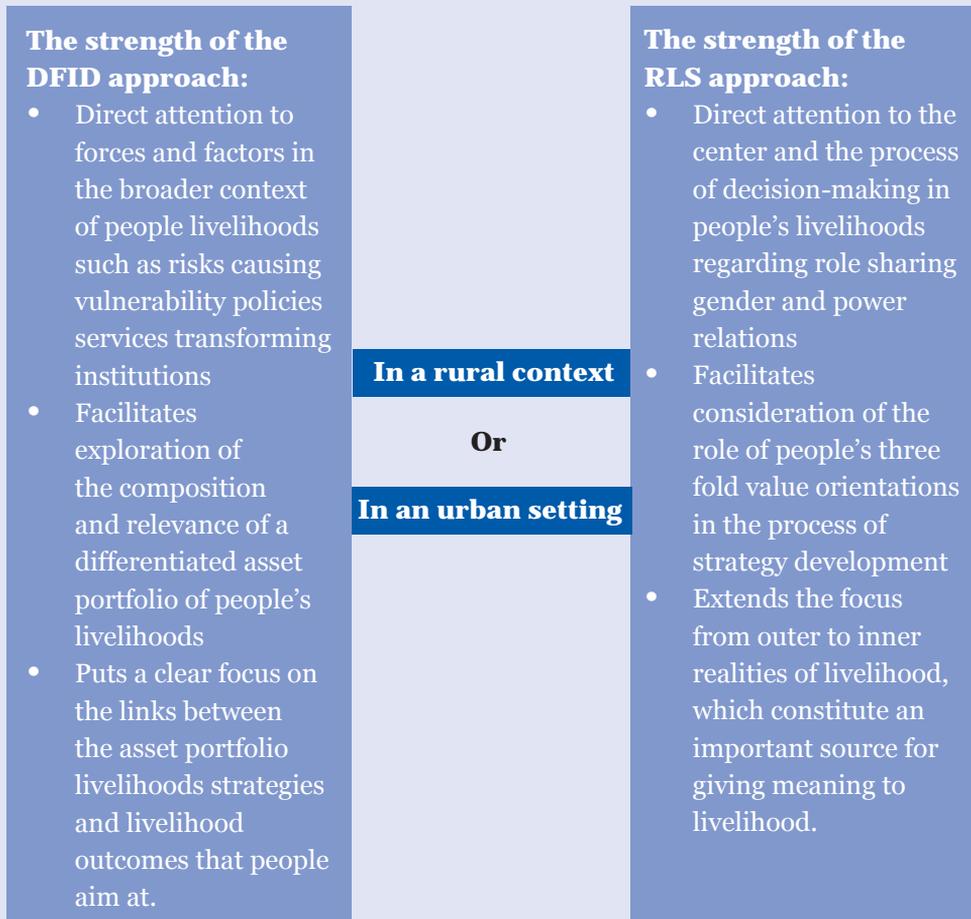
The three practical approaches viz. Opportunities based, Entitlements based and Highly Disadvantaged Segments approaches have been born out of practical action on the ground by different agencies. The common aspects that stand out are:

- Focus on enhancing the livelihoods of the poor, since it is at the core of poverty reduction
- The household is the basic unit of attention, and individual aspirations must be taken into account
- The livelihoods of the poor exist within a larger system and context, and therefore the livelihoods promotion effort must incorporate 'systems' thinking.

The practical approaches have been enhanced by the three political responses – Exit, Voice or Loyalty, which have the following in common, in addition to the above:

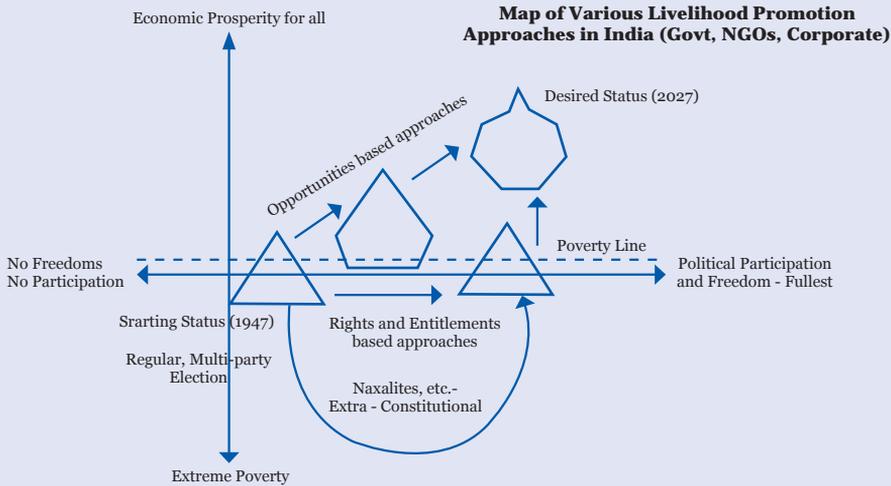
- Understanding the political economy – the pattern of control over resources – is critical to livelihood promotion
- There is no point in trying to enhance production by the poor if the patterns of exploitation continue – since more production will mean more exploitation.

Figure 23: Contrasting the DFID (SLA) Approach with the RLS Approach



People are the focal point and if any development agenda works against their livelihoods or well-being, it must be opposed. The difference is that Naxalites are willing to engage in armed struggle to overthrow the state, while the

Figure 24: Map of Various Livelihood Promotion Efforts in India



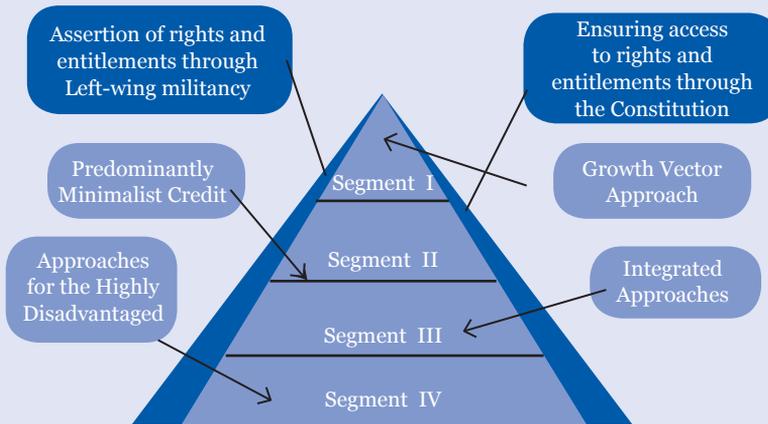
activists work outside the system but within Constitutional boundaries and the government programs work within the system. **Figure 24** depicts the approaches discussed in detail earlier in this Resource Book.

8.2 Mapping Livelihood Approaches onto the Socio-Political and Economic Space

Having examined descriptions of various approaches, let us now draw out some lessons. The figure below depicts the trajectory that the two basic approaches take. While the opportunity-based approach focuses on interventions to improve economic status, the Rights and Entitlements based approach engages in interventions to enhance freedom and right to political participation, and then based on changes effected by those approaches, works to improve the economic status. While these three are broad approaches, it is also necessary to understand that within each approach, there are different sub-approaches suitable for different economic segments.

The three broad approaches are mapped on the economic pyramid segments. The original approaches have been enhanced using socio-political factors; on the left, by a violent and extra-Constitutional assertion of rights and entitlements; while on the right by the work of activists seeking an extension of Constitutional and legal guarantees for rights and entitlements (**See Figure 25**).

Figure 25: Livelihood Approaches Mapped onto Economic Pyramid Segments



Segment IV (the bottom-most): The Extremely Poor segment. The approach most suitable would be the one for building the livelihoods of the Highly Disadvantaged- Ultra-Poor, or people affected by disasters (man-made and natural), HIV-affected people, the disabled, etc.

Segment III: The Poor segment. The opportunity-based approaches, in particular the ‘integrated’ approaches, rather than the minimalist credit approach would be most appropriate, as it best addresses their need for both capital and promotional support, ensuring improvements in asset yields and risk reduction, in addition to just asset-creation.

Segment II: The Vulnerable segment. This segment has at its disposal some assets, knowhow and access to markets, but requires access to more capital. This is a segment for which the ‘minimalist credit’ approach works well.

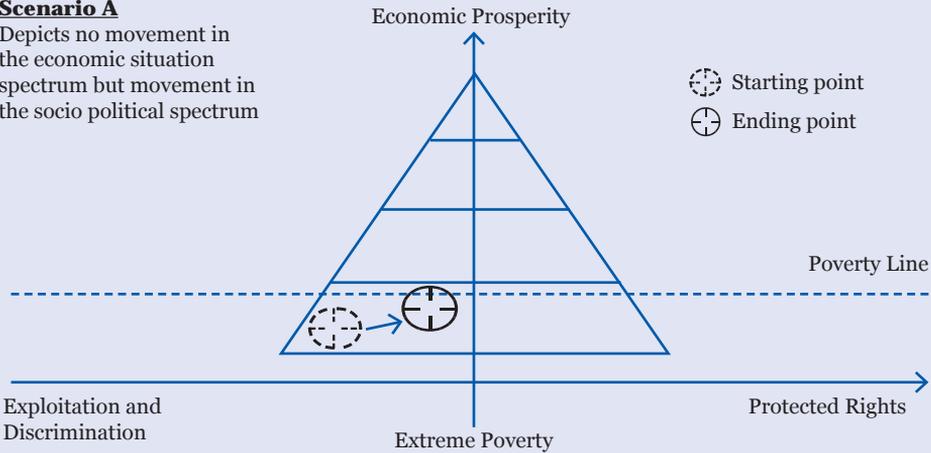
Segment I: The Middle Class and High Income segment. This segment is neither poor, nor vulnerable. It is indeed the growth vector of the economy and tends to lead into new sub-sectors and locations in search of opportunities for a return on capital. It is capital surplus and capable of investing. This segment has the capability to support the lower three segments through wage employment and informal networks of technical knowledge sharing.

Scenario A: Working with the extremely poor using a rights and entitlements approach where the positive outcomes created are on the socio-political spectrum, but not so much on the economic front. e.g. NBA in the first 10 years.

Figure 26: Working with the Extremely Poor using Rights and Entitlements Approach (Scenario A)

Scenario A

Depicts no movement in the economic situation spectrum but movement in the socio political spectrum

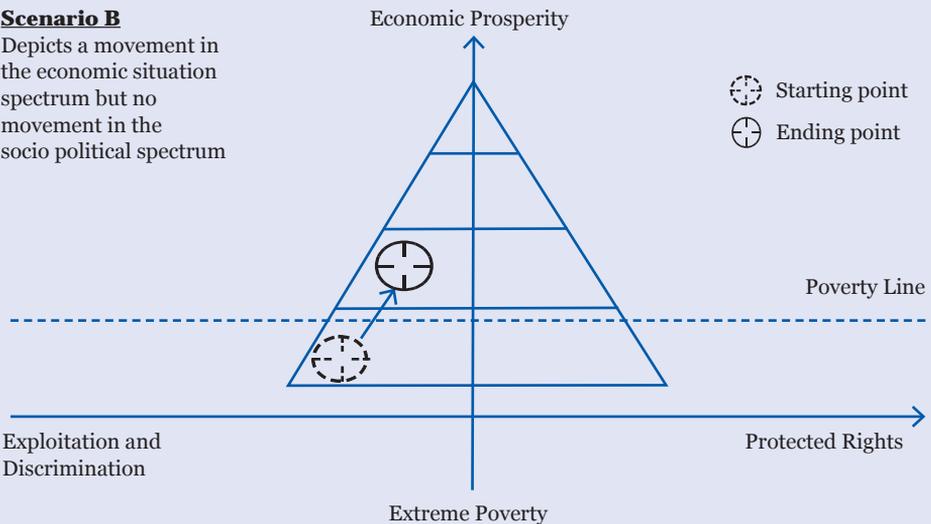


Scenario B: Working with the extremely poor in order to create economic security for them- e.g. providing free food grains under the Food Security Act or similar schemes.

Figure 27: Working with the Extremely Poor to Create Economic Security (Scenario B)

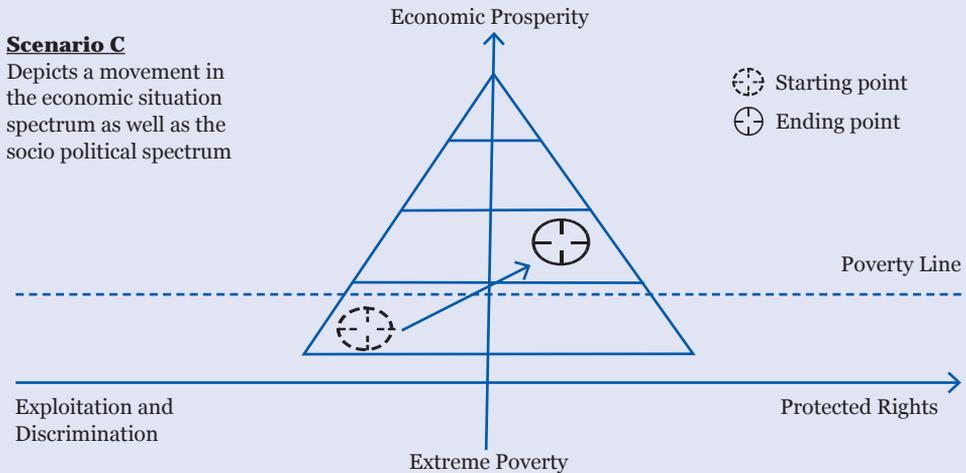
Scenario B

Depicts a movement in the economic situation spectrum but no movement in the socio political spectrum



Scenario C: Working with the poor to create access to entitlements and economic returns, e.g. BRAC, Bangladesh. These scenarios are examples to illustrate the approaches adopted for the extremely poor segment and the associated outcomes. Readers may use this to generate scenarios to understand the other approaches that can be used with the other economic segments.

Figure 28: Working with the Poor to Create Access to Entitlements and Economic Returns (Scenario C)



8.3 How to Select the Approach to Promote Livelihoods

A livelihood intervention implementing agency, more often than not starts out with a problem or an issue to be solved, or a specific target group to work with. **Chapter 7** describes *How* they can go about working with the people in the target segment as an Approach. We have also seen through examples that different economic segments need different kinds of Approaches. When one examines the Map of Livelihood Approaches in India (**Figure 24**), one can discern that,

The approach adopted by an intervening organization is dependent on three things:

- The economic segment that the target group belongs to
- The political participation and freedom they enjoy
- The competencies and proclivity of the intervening organization

Therefore, in order to identify or establish the Livelihoods approach to be adopted by an organization, one would have to systematically analyze the nuances of the economic segment as well as the political freedom and the freedom to entitlements of the target group.

8.3.1 Recommended Steps

8.3.1.1 Step 1: Identify Specific Target Group

People are at the core of development and therefore the first thing an organization needs to do is identify their target group. They have to decide whether to work with women in the informal sector, as SEWA did, or with economically active men and women like BASIX. There can be no fuzziness. If the target group is better defined, the next set of actions- and ultimately the outcomes, become clearer. The identification of the target group is purely an organizational choice, primarily shaped by the founder's desire or deep passion and concern for the problems their target groups face.

8.3.1.2 Step 2: Understand the Geographical Area

Identification of the geographical area of operation is an iterative choice that determines these locations based on considerations such as adequate density of the target group to demonstrate impact, and factors such as familiarity with a region, proximity to nearest rail or road head and ease of access. It is useful to study such factors before selecting the geographical area:

Demographic Information is useful to examine the categories of people inhabiting the selected area: Are they tribal? Are the majority castes into farming? Are they artisans? More often than not, every Indian district has a Gazetteer. A fair description of the livelihood patterns of various demographic groups can be found in these publications.

Literature regarding the area under study (available in local libraries, religious institutions, schools, universities, or from knowledgeable key informants) can be extremely helpful. Historical information can help to understand how changes in the political, social, cultural and economic context may have affected people's livelihoods and the institutions that help sustain them. The District Gazetteers, referred above, often provide information about this aspect as well. The current literature may be on programs of the government, NGOs, and on organizations and institutions, both in the area under study and also in general.

Some of this literature will require 'interpretation' as it may not specifically refer to household livelihood strategies and local institutions, but may be potentially valuable and often provide a useful starting point.

Anthropological or sociological studies of local cultures (available in local and university libraries). Anthropological studies, especially recent ones, may provide detailed descriptions of customs, beliefs and types of behavior among different local population groups that are all part of local institutions.

Reports on past projects (available in project offices or with local development organizations and NGOs). Past projects may have tackled similar issues and the lessons learnt from their successes or failures will be of great help.

Statistical information from census surveys or surveys of agriculture, industry, small enterprise, employment and markets (available in local libraries or local government offices, but often also from on-going development projects and local NGOs). Statistical information can help the investigators to determine the 'frame' for their study: How many people do they need to talk to? How common are different forms of livelihood? How many people are likely to be affected by different types of institutions? What are the forms and the extent of rural poverty?

In India, the District Statistical Office periodically brings out a Statistical Outline of the district. Information related to economic activities in the district is available in the NABARD District Development Manager's office, under the Potential Linked Plan that is published every year in most districts. The District Rural Development Agency (DRDA) and the District Industries Center (DIC) also publish their annual plans and reports, which have statistical and descriptive information related to livelihoods and industries in the area.

Refer to 'Major Data Sources on Livelihoods in India' in the Tools Chapter.

8.3.1.3 Step 3: Study the Attributes of the Target Group

After identification of the target group and the geographical location, the next and perhaps most important step would be to understand the various attributes of the target group with respect to livelihoods. A comprehensive tool has been designed to assess the socio-political status of an individual, a household, or the village community (IA-SPS). It is to be administered at three levels – the individual, the household and the community levels, IA-SPS-I, IA-SPS-H and IA-SPS-VC respectively. This tool maps the attributes of the individual, the household, or the village community along several dimensions such as Access to Resources (labor, land, forest or grazing lands, water and capital) and Access to Rights and Entitlements (individual, social, political, economic and cultural). Intra household dynamics can be understood by studying the outputs of IA-SPS-I and IA-SPS-H tools. Similarly community dynamics can be understood by studying the output of IA-SPS-VC tool.

8.3.1.4 Step 4: Identify the Broad Approach

We make use of two tools; IA-SPS and ILH-ESL which help us locate the target group on the ‘rights and entitlements’ (x-axis) and the economic prosperity (y-axis) spectrums. Both the tools are scoring tools. The IA-SPS tool is a scoring tool and the scores indicate the level of access to resources, rights and entitlements by the individual, household or community. A score of 200 is the maximum and indicates full access to all resources and rights and entitlements. This gives us the position of the starting point of a community on the x-axis. The scoring on the y-axis is based on economic criteria and another tool – the Instrument for Locating a Household on the Economic Snakes and Ladder Space (ILH-ESL). Details on these tools are available in the tools chapter. They have to be administered to a random sample of households in the target segment and area.

8.3.1.5 Step 5: Fine-tuning within a Broad Approach

1. If the target segment scores low in IA-SPS, then move towards the right along the spectrum of ‘exploitation and discrimination to protected rights’ (x-axis) i.e. focus more on empowerment and enhancing access to entitlements (pensions, food security through FSA, adequate work through NREGA, financial services through financial inclusion, education through Right to Education).
2. If the target segment scores medium on IA-SPS, then focus on market opportunity based approaches, which helps in moving towards the top on the spectrum of ‘extreme poverty to economic prosperity’ (y-axis).
3. If the target segment scores high on IA-SPS, then it is likely to take care of itself and it should not be the target segment.
4. If the target segment scores low in ILH-ESL, we need to move it first from below towards the middle along the y-axis and this may first require political work in terms of access to resources – labor, land, water, forests or grazing land and capital before capitalizing opportunities for income enhancement and risk reduction.
5. If the target segment scores medium in ILH-ESL, then it needs to move from the middle towards the top along the y-axis i.e. focus more on capitalizing opportunities for income enhancement and risk reduction.
6. Finally, if the target segment scores high on ILH-ESL, it should again not be a target segment.
7. Those segments which appear in the top right hand corner of the graph should not be target segments for development programs. This does not mean we make no contact with them, because they can be formidable

obstacles if they oppose the efforts to uplift the others. It is best to co-opt these segments in the development strategy, such as by sharing some common facilities, or treating them as early adopters of innovations. It is better to invoke the Gandhian trusteeship feeling in them rather than accuse them of seeking to exploit the masses.

8. NGOs that are autonomously funded may have more leeway for fine-tuning their approach than Government or CSR-based programs, as they would find it harder to focus on the rights-based approach. But even within government programs it is possible as a way of enforcing legislation or ensuring program benefits reach those it is intended for.

The specific interventions required in a situation may have to be figured out, based on the local context. One has to bear in mind that these approaches are not tightly compartmentalized. More often than not, organizations use a combination of approaches which are dynamic over time- the organization may be sometimes forced to change the approach because of a change in environment or simply because the current one does not yield results. Steps 4 and 5 are therefore iterative in nature. The mix of approaches and the interventions should be reviewed at periodic intervals and necessary adjustments should be made to accommodate for changes in context and to achieve the desired outcomes.

Promoting livelihoods is a complex business and the best way to go about it, is to ACT!

8.4 Designing the Localized Intervention

8.4.1 Take into Account the External Context

Over recent years, across the world, there has been a growing understanding that market institutions should perform production and distribution related economic functions, while the state should concentrate on delivery of public services and the civil society should play the role of social ombudsman and undertake social innovations, which both the state and market are not geared to handle.¹⁸²

¹⁸² For a detailed discussion on this see Hansmann, Henry (1987); 'Economic Theories of Non Profit Organizations' in *The Non Profit Sector: A Research Handbook*, edited by Powell, Walter D., New Haven, Yale University Press, and recent research paper by Debika Goswami, Rajesh Tandon and Kaustuv K Bandyopadhyay (2012); *Civil Society in Changing India: Emerging Roles, Relationships and Strategies*, PRIA, New Delhi. Also see Mahajan, Vijay. 2008. *Scaling Up Social Innovation*. Seminar, Annual Number

On a similar line, the Government of India has started disinvesting from many of the manufacturing and other commercial functions and concentrating more of its resources and efforts on public services, including promotion of livelihoods of the weaker sections of the society. In the same line, the private sector has also started participating in delivery public services: either through joint action by various modes of Private-Public-Partnership, or by contributing resources for CSR.

Encouraging this trend, the GoI by an amendment to the Companies Act in 2013, has made it mandatory that every company having net worth of Rs 500 crore or more, or turnover of Rs 1,000 crore or more, or with a net profit of Rs 5 crore or more during any financial year shall spend at least 2 percent of its average net profits of the previous three years on specified CSR activities. While presenting the Bill to the Parliament, it was shown that the top 100 privately owned companies had spent Rs 5,611 crore for CSR related activities in 2011-12, while the public sector units had allocated Rs 2,388 crore¹⁸³ for CSR. It was estimated that a total fund of five to eight times of this, amounting to about Rs 30 to 40,000 crore will be available for such socially useful investments.

Assuming that one-third of this would be invested for livelihood promotion or support, the balance in health and education, it can be seen that while the Government would invest Rs 125,000 crore for livelihood promotion programs, the corporate sector would contribute Rs 15,000 crore and the development NGOs would invest about Rs 3,500 crore. In other words 88 percent of the livelihood initiatives will be taken up under government programs, 10 percent with CSR funding and about 2 percent through NGO initiatives.

8.4.1.1 Degrees of Freedom are thus Limited – Design, Budget, HR, etc.

This scenario will have several implications, in the coming five to ten years. One of these will have significant implication for livelihood practitioners, and it arises from two important aspects: (i) the large size of the Government and (ii) high degree of context specificity of livelihood strategies. Though the relevance of contextualization of Livelihood Initiatives is recognized given the size of its organization, the Government will have little ability to remain flexible. It will have large programs where the degrees of freedom for making localized choices will be limited. However, as the Government recognizes the need for local adaptation, it is making various design changes to accommodate such context specific modifications.

¹⁸³ Lok Sabha Secretariat, Parliament Library and Reference, Members' Reference Service, Reference Note No. 11 /RN/Ref./2013

8.4.1.2 There is Scope for ‘Localizing’ National or State-wide Programs

This is where the livelihood professional, whether a part of the implementation arm of the Government, a CSR Initiative or an NGO, will have to play a critical role. As mentioned in **Chapter 2**, Sustainable Livelihoods Approach is an alternate approach for development, where apart from focusing on the resources-skills-markets (as was done for the poverty alleviation approach), special attention is paid to (i) local institutional arrangements that shape the world-view and aspirations of the people, and (ii) risks and vulnerability faced and perceived by people, both of which affect adoption of a livelihood strategy by a family.

This assessment cannot be done at a national level. Therefore, a livelihood practitioner needs to:

- a) Study the national or state level program and its design elements carefully, including those elements that can be, or cannot be changed;
- b) Map the local Livelihood Resource-Skill-Markets;
- c) Assess the risks and vulnerabilities faced by people in the area; and
- d) Identify the various institutional arrangements in the area, some local or national, some formal and others informal, which help people engage in some activities and cope with the risks and shocks;
- e) Identify specific areas that need local adaptation;
- f) Develop the specific localized intervention plan for the area.

8.4.1.3 Understand the Operating Model of the Program

Every livelihood support program has some design elements. For example, the NRLM envisages creation of people’s institutions at the village level and federating them to help achieve scale. It is important for the livelihood professional to understand these design elements and the grounds for their existence.

Now these design elements have implications for the localized intervention plan. As NRLM recognizes the need for people to be involved in decisions related to their own livelihoods, it is proposed that instead of taking these decisions on an individual basis, these be institutionalized. Therefore, mobilizing people and forming their own institutions, whether a SHG (as in Andhra Pradesh, Bihar) or a Producer Group or PG (as in Gujarat, Kerala), is an essential step for engaging with NRLM. It needs to be kept in mind that various forms of people’s institutions have been created in the last few decades. Therefore, to effectively engage with NRLM, an important action point for a livelihood professional would be to take stock of various people’s institutions that exist in the area and to consider their present state.

Depending on this assessment of the people's institutions the livelihood professional may choose to (i) engage some of the existing institutions to undertake the activities after due re-orientation; or (ii) strengthen some of the existing groups and then engage them; or (iii) promote new institutions in for forms of SHGs or PGs. While promoting such people's institutions at the grassroots level one needs to bear in mind:

- a) The purpose of creating such institutions is such that these institutions take up livelihood promotion or support related decisions matching their capacities, endowments and expectations, through a transparent process.
- b) An institution is not just a formally formed organization. It is a set of mutually accepted norms of behavior.

Once we understand the reasons behind the creation of such institutions, in the course of promoting them, we have to include steps to enable them (and so also their constituents, the poor) to take decisions related to their own livelihoods matching their capacities, and not just savings and credit. Additionally, as institutions are also run by a set of mutually accepted norms, processes will have to be initiated so that the group develops and accepts norms required for conducting their own livelihood activities and continues to accept them. The rule of maintaining their books of accounts and records is just one of many such norms required for managing their livelihoods.

Such actions will be integrated by the livelihood opportunities professional in her or his work plan only when they have studied the program document thoroughly. Therefore, when building a localized livelihood intervention, it is very important that the livelihood professional studies the program design carefully. Most of these documents are available in the relevant websites of these programs. (MGNREGA program design-related information,¹⁸⁴ RKVY or NADP related program design information,¹⁸⁵ Program design related to BGREI,¹⁸⁶ NULM program latest designs¹⁸⁷).

8.4.1.4 Selecting Suitable Activities based on Supply-side or Demand-side Approach

Having examined the design of the larger program through which we plan to support or promote livelihoods for a large number of disadvantaged people,

¹⁸⁴ http://nrega.nic.in/netnrega/WriteReaddata/Circulars/Operational_guidelines_FourthEdition_eng_2013.pdf

¹⁸⁵ <http://agri.tripura.gov.in/links/rkvy.pdf>

¹⁸⁶ <http://bgrei-rkvy.nic.in/Guidelines/Guidelines.pdf>

¹⁸⁷ http://www.mhupa.gov.in/w_new/NULM_percent20missionpercent20document.pdf

and the livelihood context within which they make a living, it is important to select activities suitable for the local situation. There are two broad approaches – demand side and supply side. The supply side approach begins with what is being and can be produced locally. Consider an example — assume the natural agro-climatic conditions in Mansi block of Khagaria district in Bihar are suitable for growth of *Makhana*. There are several physical resources such as small ponds where *Makhana* can be grown and which people can easily access. *Makhana* being a natural vegetation of the area, the locals are quite deft at harvesting them from the ponds.

The demand side approach is where one begins with end consumers and their demand and investigates what can be produced locally to meet that demand, thereby creating livelihoods. In the *Makhana* example, with the growing preference for ready-to-eat food among young professionals, one food product company in Kolkata has developed a technology for soft-roasting *Makhana* and preparing some ready-to-eat products. This is an example of non-local demand, which is difficult for the poor people to directly uncover, and so prepare themselves adequately. As both the NRLM and NREGA programs are being implemented in this area, the livelihood interventionist can dovetail this kind of demand discovery into the program.

Thus another variation of the demand side approach is to look at the local demand. A tool has been developed to deal with this, based on the use of the monthly per capita expenditure data available from the NSS for each State, separately for rural and urban areas. That is then applied to a district population, rural and urban and the district's 'local demand' is computed. The tool is available in the Tools Chapter and in the accompanying CD.

8.4.1.5 Sector(s) or Value Chain Stages in which We Intervene

What livelihood activity should one consider for the intervention? Should one improve an existing livelihood activity, or promote a new one?

This is a very critical choice when designing an intervention. While doing this we need to keep in mind that the poor are engaged in a diversified portfolio of subsistence livelihoods. Unlike the large producer, for whom every sector that she or he is involved in, gives a large chunk of returns, none of the activities of a poor household contributes to more than 30 to 40 percent of their gross revenue.

As a result, even a substantial increase in return from any single sector only makes a small contribution to their total revenue. As a result, working

consistently in any one sector may not be that lucrative for a poor household. They may be interested only to the extent of the marginal addition to their total kitty.

On the other hand, we must also remember that every different activity has a different pattern of behavior in the market. When does it sell? When does the stock grow? Who are the major competitors? How long can the commodity be stored? Each of these elements have varying nuances from sector to sector. Therefore, the more the number of sectors one chooses to work with, the more complex it makes the business, with increasing probability of running each business sub-optimally. Therefore, the livelihood promotion or support professional will have to be aware of this trade-off.

We need to also keep in mind that when actually getting engaged in an activity we need to be specific. Gross generalizations may be useful for academic or policy purposes often they help a practice. There is no commodity called a vegetable. The way the prices of potato, which has a long storage life and is produced in lighter soils in north India, behave is very different from the price of tomato, which has a much shorter storage life and is grown in a larger spread of geographical conditions. Therefore, if the livelihood professional has to ensure good return to potato farmers, the chosen course of action has to be very different from that adopted for tomato farmers.

Then there are other trade-offs to consider. One has to choose between enhancing returns from one of the activities that many people are already engaged in, and which is already attuned to their current life style, and introducing a new activity for an emerging market that offers a great potential in the near future. Both choices have their consequences, and therefore offer a trade-off for the livelihood professional.

In an attempt to address this challenge of multiple people engaged in multiple activities forming the base level institution of an affinity group, the Ministry of Rural Development in Bihar with support from the World Bank, developed a concept of 'Shelf-of-Work'. In this methodology, a set of activities can be taken up in the area, utilizing resources from large programs like National Rural Employment Guarantee Program. This Shelf-of-Work also incorporates the views of the people, after due vetting by a group of experts. It is then in the custody of the *Gram Sabha*, who can choose activities from this shelf, in due consultation of the members of the institution. (See some of the recommendations about such Shelf-of-Work in http://nrega.nic.in/circular/minutes_working_groups.pdf).

8.4.2 Design of the Intervention

While developing the intervention design we need to take decisions along two dimensions of the intervention:

- The Nature of Intervention
- Design of the Enterprise(s) of the Livelihood Activities

8.4.2.1 Nature of the Intervention

Deciding where to intervene in the value-addition chain and deciding the approaches for the mode of the intervention (“How to”), are closely linked. We can either intervene by providing a single missing input, integrating several inputs or by taking a systemic approach.

Which of the following inputs should we focus on?

- a) Creating appropriate enabling conditions for the people taking up the chosen basket of activities, through a policy dialogue.
- b) Introducing or adapting a technology that can be locally used by the people.
- c) Training and skill building in either improving productivity, or in managing their own institutions.
- d) Creating facilities for some local value addition through establishment of proper infrastructure, institutional arrangements and training of the people.
- e) Marketing support to help producers access a new market with increased sales or higher returns.
- f) Asserting rights and ensuring delivery of entitlements, which has been already granted under law or by the society.
- g) Policy Advocacy to create a more enabling environment for production/storage/processing of commodities produced/proposed to be produced by the people.
- h) Building a local interdependent economy.
- i) Extending financial services such as savings, credit, insurance or money transfer.
- j) Building or refurbishing infrastructure.
- k) Building or strengthening people’s institutions, for engaging in different components of the livelihood activity.

It is not essential that we should choose only one instrument of intervention, it is also possible to use more than one. However, this choice needs to be made, keeping in view the mission and competence of the organization, as discussed in the section on Internal Context earlier. As we have seen in **Chapter 5** when discussing the Political Economy of Livelihoods, often livelihood choices are limited by the control on various resources.

8.4.2.2 Design of the Livelihood Enterprise

Finally, the livelihood activity can be structured on different aspects in different ways. How are we going to organize the producers? Will they be self-employed or wage earners? Who will own the activity, or network of activities? Who will manage it? And where will it source its funds? Though these are some of the choices that we have, the type of employment an activity provides, its ownership, management and size are closely interlinked issues. Note, however, that describing the business activity is very different from choosing the sub-sector or industry in which we intend to work (which we covered under the type of intervention).

To continue with our *Makhana* example, we need to first understand that if the people in the area will have to engage with NRLM they need to be organized into their SHGs or PGs. From the detailed mapping of the factor conditions in the area, we have to identify the SHGs or PGs that would be engaged in harvesting the *Makhana*.

We need to decide whether the same SHG or PG should also undertake the post-harvest processing like drying and peeling or would we like to involve another SHG or PG that may not have access to these ponds to take up the post-harvest work, and thereby generate some additional employment for those who do not have a pond? Should the same group directly market their products, or would it be better to federate several of these groups (which is also permissible under the NRLM design) and let them do the marketing? That being a separate enterprise, do we need a different form of an organization? This is the base of our localized micro-strategy. This is when we need to start looking at different ownership models.

Ownership and Management of the Livelihood Enterprise

The first choice is who are we going to work with: individual self-employed entrepreneurs, that is entrepreneurs who generate wage employment for others, or community owned livelihood activities, which generate profits in addition to wage employment?

Livelihood opportunities often come in the form of micro-enterprises generating self-employment. But, let us not forget that they also come in the form of wage employment. Often livelihood interventions are designed with an assumption that given the necessary training, capital and access to market, the poor producer will be able to establish and manage his or her own enterprise.

Making an assumption is fine, but one should also first find out if the individual wants to be an entrepreneur? Why not help them ask: Do I want to run my own enterprise or am I more contented with a job? Does the poor producer want to run an enterprise or is he or she looking for regular wage employment? It also needs to be attuned with the institutional design already proposed in the larger program design. For example, if working with NRLM, which uses the SHG as the building block of the people's institution, whatever be our choice, we also need to define what would be the role and relationship of those institutions with the enterprise being promoted.

Thirdly, we need to consider, if reducing risk is more critical than enhancing income, what is more risky? Running our own business or having regular wage employment? Finally, when it comes to coping in difficult economic circumstances, poor people are highly entrepreneurial out of necessity. But not all poor people are good business entrepreneurs.

We may need to ponder on these issues and decide whether we would like to promote micro-enterprises that generate self-employment, or promote activities that generate wage employment? The latter may of course be more difficult, and in most cases, poor producers have no other option than to be self-employed. It may still be possible to organize micro-enterprises into a network of activities, which supply and buy from each other. DHRUVA's (Box 18) mango and cashew orchard development program supported a range of activities, comprising both the landed and the landless. For example, the landless are involved in manufacturing mango pickles and decorticated cashew that are marketed, and in producing vermi-compost, which is used by all the farmers developing orchards.

For a private enterprise, an alternative to both self-employment and wage employment is organizing producers in a collective, such as a co-operative, a savings and credit group, or a water users' association. This leads us into issues of ownership and management of the livelihood activity. This often creates opportunities for employment by the collective.¹⁸⁸

As discussed earlier, livelihood involves participating in a value chain, adding some value to some resources to make them more useful to self or others, who are willing to pay for the value-added product. The nature of these value addition functions are not the same. More often than not, these are performed

¹⁸⁸ Pastakia Astad (2007); *Making Institutional Choices for Livelihood Interventions*: A research study based on on-line data collected through Solution Exchange,

by different enterprises. Therefore, many livelihood initiatives require planning for several enterprises. Ownership and management of these enterprises depend upon the nature of value addition function performed, the investments required and the control proposed.

For example, in the Anand Pattern Co-operatives promoted by NDDDB, which has affected the livelihoods of many, the milk production function is performed by individual milk producers. But, processing this milk into skimmed milk powder and butter oil requires a much larger scale. Therefore, the dairy plant is created at the district level. As this requires a larger investment, this is owned by a collective. But if this dairy plant has to be at the district level, one more value addition function, such as collecting milk from different individual milk producers becomes necessary. This is done by a third set of enterprises — the Village Level Cooperative, which is owned by all the milk producers in the village. Whereas, the district level plant is owned and managed by a collective enterprise, the entire village level cooperatives in the district. After the milk is processed and converted into long table-life milk-products like butter and cheese, these can be marketed across the country through a Producer Company.

Therefore, what we see is that livelihood promotion initiatives often involve promotion of multiple enterprises to undertake different value addition functions. These need not be in the same form. Their ownership will also be different, depending on the nature of the value addition and the capital requirements. An appropriate mix of enterprises and other supporting institutions need to be developed.¹⁸⁹

Different Ownership Options

Before examining the various combinations of Ownership Models of Enterprises in the livelihood intervention design, let us look at some of the most common forms of ownership of enterprises. This poses questions such as: Who will own the plants and equipment required for the value addition activity? What stages of the value chain are appropriate for individual micro-enterprises? Which of it is appropriate for group enterprises and which stages requires a formal structure like a cooperative or a producer company? Do they also own the activity? Do they have the capacities to discharge the roles of the owner? What interest do they represent? Is there some party whose say in management of the activity has to be considered? Are we willing to give the power to the chosen group of owners?

¹⁸⁹ Different mix of agencies/enterprises required for livelihood promotion and/or support has been discussed by Pastakia, Astad (2007); *Making Institutional Choices for Livelihood Interventions*: A research study based on on-line data collected through Solution Exchange

All of these have significant legal implications. It would be helpful to consult someone who has good understanding of the legal issues related to organizations.

Livelihood Enterprise Owned by Individuals

Some parts of the production or value chain may be owned by individual producers. The cow is owned by an individual dairy farmer. The *tasar* (silk) grainage promoted by PRADAN are owned by individual entrepreneurs, who produce the seeds and sell them to cocoon producers. Many of the support services required for livelihood activities are often owned by individual enterprises. Many Community Resource Persons (CRPs) selected from the paddy producers in Bihar, have been trained by BRLPS and PRADAN together to supply inputs to farmers who adopt SRI. Many Livelihood Service Providers (LSPs) appointed by BASIX or DHRUVA are also individual entrepreneurs who supply a variety of inputs to the producers.

Livelihood Enterprise Owned by a Collective of Producers

Some enterprises in the value chain, such as the enterprise which collects milk from individual milk producers in the example of the Anand Pattern Co-operative, are owned by a collective of all the milk producers in the village. In some cases, they are registered as a Co-operative. In some cases they may be registered as Mutual Benefit Trusts or Producer Companies. Examples of similar collectively owned livelihood activities include MEADOW, a watch producing ancillary promoted jointly by MYRADA and Titan, fish marketing co-operatives promoted by SIFFS, and a variety of Farmer Producer Organizations (FPOs) promoted by Small Farmer's Agri-Business Consortium (SFAC).

These collectives can be registered under different legal forms, such as cooperatives, partnership firms with an *inter-se* agreement between the producer partners, mutual benefit trusts, producer companies, trade-union with mutual trade license, to mention a few. Each of these forms have their own strengths and weaknesses. The specific context in which these forms can be used and the process of their promotion has been discussed in *Institutional Development – An operational guide*.¹⁹⁰

Livelihood Enterprise Owned by the Livelihood Promotion Organization

In some specific cases, where either the producer's collective or individual entrepreneurs are not in a position to own the enterprise required for a particular function, livelihood activities also need to be owned by the

¹⁹⁰ Rama Kandarpa and Radhika Mathur (2007), *Institutional Development – An operational guide*, Hyderabad, BASIX

livelihood promotion organization. Examples of these include several marketing organizations such as *Dastkar*, *Daaram*, Mother Earth, which market handicrafts of a variety of producer groups. In these activities, often the individual producer is not in a position to invest the capital required, but a fair system of pricing has not yet been developed for it to be handed over to individual entrepreneurs. These livelihood promotion institutions could be developed through CSR initiatives, by civil society or by the Government.

Livelihood Enterprise with Mixed Ownership

Often livelihood activities are organized in multiple tiers, with each tier performing different functions in the value addition chain. This creates opportunities for having the structure and ownership of different tiers being created differently. For example, in Marathwada, SHGs at the village level have promoted a mutual benefit trust at the district level. These trusts in turn have invested in a Non-Banking Finance Company, Anik Financial Services Limited.

What are the advantages and disadvantages of such an arrangement?

Management of the Livelihood Enterprise

Management of the livelihood activity need not always rest with the owners. Even in large corporations, owners engage a group of professionals to manage the enterprise. AMUL, though owned by farmers of Khaira District, is professionally managed. There are such various choices available to the practitioner.

Producer-Managed Livelihood Activities

Local producers very successfully manage many small livelihood activities that deal with local markets. However, there are many functions in larger business processes that local producers cannot replicate, or may find difficult to manage. For example, functions such as estimating sales trends for broiler chicken in Bhopal or one of the major metros, negotiating prices with urban consumers, surveying urban markets for consumer preferences in handicraft design, etc. may be some functions that an individual local producer may not be able to handle.

Livelihood Activities Managed by Hired Professionals

Many producer-owned livelihood enterprises hire professionals to manage key functions of their business. Managing business activities with a developmental focus involves special people. Such special people, however, are in short supply. When hiring professionals to manage producer-owned organizations, it may be challenging to build the capacities of local producers to maintain control over the management.

Who's in Charge?

Managing the interface with rapidly changing markets is a highly skilled job. The dilemma is whether the capabilities of local communities can be built so that they can manage unfamiliar tasks (such as negotiating with export markets) themselves, or should hired professionals manage them? What could be the cost? If we had to pay the full professional fees of professionals, would we remain competitive in the market?

As a marketing agency, the Association of Crafts Producers seeks to act as a buffer between producers and the vagaries of the market. Can we ensure that the producers are able to meet the demands of the market themselves? How will the losses, if any (that's what is being a buffer means!) be borne or split-up?

8.5 Setting Objectives

After developing the micro-strategy, it is essential to give a concrete shape to this long wish list and make a statement of the livelihood organization's ambitions. What is a number of people we want to serve? When? Where? An objective needs to be SMART.

S Specific

M Measurable

A Ambitious, but

R Realistic, and

T Time-bound

For example, stating that we will facilitate *Makhana* farmers improve their livelihoods through proper marketing, may be a good statement of intent. But is not statement of an objective.

On the other hand, it may be useful to state: "In the next five years we will organize 2,000 women in Mansi Block into their SHGs, who will be engaged in cultivating and procuring *Makhana* from local ponds, further deepened under the MGNREGA projects and another 200 women of landless households from the same block who will process *Makhana* and market them for the Ready-to-Eat Food Product Co. in Kolkata. This will help increase their income by at least 20 percent from their present income levels, while ensuring that all of them get immunized against water borne diseases under the NRHM, and all their children of the school-going age group are enrolled in nearest school".

(Of course, this is an example to illustrate some points. We have to formulate a realistic objective based on the intervention agency's capacities).

Formulating the objective in such specific measurable terms also helps formulate activity plans better, and realistically.

For example, if one states that '*increasing their income by at least 20 percent from their present income levels*' is part of their objective, then they will not forget to add a Baseline Survey as a part of activity planning. It will also help monitor our progress periodically. For example, in case the contract with the Kolkata-based Ready-to-Eat Food Product Co. does not work out, they will start looking for an alternate buyer, instead of selling the *Makhana* in the local market, as was done earlier, or let them rot.

8.5.1 Activity Planning

After formulating the objectives, based on a realistic assessment of the capacity of the intervention agency to implement the fine-tuned strategy for localized conditions of Resources-Skills-Markets-Institutional arrangements, it is necessary to list down various action steps required to ensure these strategic choices are translated into feasible tasks and processes on the ground. At this stage it is important to identify various activities that must be executed to achieve those objectives.

There are various activity planning methods developed, such as PERT and CPM. These are available in various text books of Project Management. Such project monitoring and management methods are also detailed at various websites on those topics. A simplified version of project formulation is available in the chapter on Tools.

Since the Sustainable Livelihoods Approach is a bottom up approach, it is important to involve the community members at this stage. Though it is even better to involve the community at the stage of Local Livelihood Mapping, but usually at that stage the contact with the community is not strong enough. But at this stage of developing Activity Plan it is essential that select members of the community are involved. This helps in two ways: (i) it helps to get a better understanding of what is possible at the local level, and (ii) prepares the people to own and take up the planned action.

8.5.2 Developing the Human Resource Plan

After developing the action plan we need to develop a plan considering the resources required for taking up those activities. While doing this it is important to revisit the initial plan document. Usually every Inception Report or original Concept Document also specifies a human resource strategy and a plan. The plan must match with the overall program design.

For example, the NRLM Inception Report as well as its Operation Guidelines specifies the use of services of CRP. A CRP is a person from the community, who demonstrates specific abilities essential for the program in the local context. In a *Makhana* growing area if a farmer demonstrates superior abilities in *Makhana* production, he or she should be used to train others. Having someone else, say even a qualified person with M.Sc. (Ag) degree through extension education, may not work out in this case. If someone demonstrates good management of their group accounts, they should be relied to train accounts keepers from other groups.

Now this being a stated policy of NRLM, if one desires to link with NRLM, right from the stage of creating activity plans they should identify the activities for which services of the CRPs can be used. Since there is also a budget line item for remuneration to CRPs, the plan should be aligned to those specifications. This, in turn, might alter the intervention agency's activity plan. For example, if CRPs are used in the livelihood intervention then there should be some activities planned to identify and train CRPs. In this example, if the CRP is a very good paddy farmer, he or she may be quite knowledgeable about post-harvest processing of *Makhana*, but may need some practical instruction on training other farmers. Therefore, this human resource plan will have to be developed with the Activity Plan iteratively. There are several HR Planning tools available on the internet. We can use any of them that match our requirements.

8.6 Mustering Financial Resources

8.6.1 Budgeting

Having developed the Activity Plan and the HR Plan, we are now ready to move to the next step of developing a budget. Though budgeting sounds a complicated work, its basic principles are very simple. Any activity that is to be taken up requires some resources and every resource is required in some quantity, which we need to estimate. There is also some prevailing price of the resource.

Budget for that Resource = Quantity of Resources Required x Its Price

Once we have developed the budget for one resource, we have to do the same for all other resources. When developing a budget, it is useful to think in four bundles.

1. People-Related Costs

From the HR Plan by this stage one would know the number of people required (Quantity), their Remuneration (Price) and the period for which their services are required (months or days, depending on whether the remuneration used was given as a rate per month or per day).

Total HR Budget = No. of People x Average Remuneration x Time

In the example used earlier, we may require, say, two CRPs to conduct a training. They may be given a remuneration of Rs 150 per day. Therefore for conducting 20 training programs the People-Related Cost would be (20 programs x 2 persons x Rs 150 =) Rs 6,000 for the complete year.

As people with different skills and capabilities may be required for different periods of time, and whose services maybe available at different wages or salaries, it may be useful to do this estimation for all the different categories of people required for the program. In the above example, one may require a Training Coordinator at the District, who not only trains the CRPs but also ensures delivery of the programs, for *Makhana*, paddy, dairy and two other activities. That person needs to be paid a remuneration of Rs 30,000 per month. There are two ways we can budget for her time. First, we can do the estimation of all the five activities together (that is, adding number of training programs for paddy, dairy and so on) and add her cost to that. The second method could be we divide her total cost, Rs 360,000 in the year into five parts and add Rs 72,000 to the budget.

There are two different parts of the related administrative costs. Some of these maybe substantial and will have to be spent irrespective of the quantity of work done, such as rent. Usually for such administrative expenses the approved budget specifies their limits. Then there are other expenses, which are related to the quantity of the work done, or which are also related to the number of people, such as travel. These are estimated as a proportion of the total Remuneration Budget. These are estimated as 10 percent of the Staff Cost. The percentage of cost permitted here, may also be specified in the Approved Budget.

2. Specific Activity-Related Costs

For these costs use the same logic as before. For example, if as per the action plan we have to conduct 20 training programs in *Makhana* Processing and each training program costs Rs 1,000 then the budget required for training will be Rs 20,000.

3. One-time Expenses

In addition to these three categories of expenses, sometimes we may have to budget for one-time expenses, such as LCD Projector. Here too, the same logic needs to be applied. If we need One LCD projector and it costs Rs 55,000 our total budget will be (1 quantity x 55,000 price), that is Rs 55,000 .

The sum of these four components gives us the total budget.

We must remember that many of these numbers are estimates. Though we may plan to conduct 20 training programs, in reality we may actually have to conduct only 18. Though we expect that it would cost us Rs 1,000 to conduct a training program (not including the remuneration to the trainer which would have been counted as a part of People Related Costs and their Travel cost, which may have been counted as 25 percent of the Person Cost) it may have actually cost us Rs 1,100 for a program. Therefore, budget is just our 'best estimate' and not the real or actual cost.

8.6.2 Sources of Financing — Supplementing through Convergence

After developing the budget we need to worry about the sources of finance. This must be done with a close eye on the main project. Most activities whose planning and execution is required for promoting or supporting large number of livelihoods, are usually provided for in most contemporary projects. However, this may require a careful study of the Inception Document. Depending on the design of the program, many of the budget items may have been reclassified under different budget items. For example, if our intervention requires purchase of a few boats for plucking of *Makhana*, there is a provision of Community Investment Fund (CIF) in NRLM, which is so designed that the community institutions can make some investments into facilities to be used by all the members of the institution, in this case the SHG. Therefore, the SHGs which are engaged for *Makhana* cultivation in some ponds can apply for some support from CIF. Under NRLM there are provisions for remuneration support to CRPs till the time when the community institution is capable to pay for their services. This provision

also needs to be formulated into the activity plan. So, while designing our activities, we have to plan to utilize the services of the CRPs, wherever possible. For this, if some additional training of the CRPs also needs to be organized, then there are suitable provisions for it in the program.

But apart from the main program itself, if there are some additional activities required, such as deepening of some of the ponds where *Makhana* can be grown. We need to explore other programs being implemented in the district. The District Rural Development Agency (DRDA) prepares a list of all Centrally Sponsored Programs in the district. In many districts this list has also been uploaded in the website. In addition many departments such as the Department of Agriculture, Social Welfare Department bring out their own lists. It may be useful for the livelihood professional to get a copy of these programs. For example, the deepening of the ponds can be taken up under MGNREGA. Today, both NRLM and MGNREGA place a great deal of emphasis on convergence. Convergence is a process where activities of two or more programs are done together, with the aim of benefiting the people.

Similarly, if one of the objectives of the project is '*ensuring that all of them get immunized against water borne diseases*', it may be useful to explore whether such immunization is being done under the National Rural Health Mission, which also aims to protect people from work-related-health-hazards. However, each of these programs has its own requirements. For example, for undertaking an activity under the MGNREGA, the local *Gram Sabha* is required to pass a resolution. We may have to facilitate a dialogue between the SHGs or their Federation with the *Panchayat*. However, only by studying the NRHM and MGNREGA documents carefully and knowing these requirements beforehand, can we use them in our activity plan. (Remember the FLRC experience of Aravali cited earlier).

8.7 Initiating and Stabilizing Operations

After mobilizing the necessary resources, both financial and non-financial, the next important step is to initiate action. At this stage, the action is primarily taken up by the members or representatives of the community. Therefore, it is very important to design this process meticulously. Apart from initiating the operations, it also helps build social capital around the intervention. As improvement of the people's livelihoods involve multiple stakeholders, this event could be used to communicate the purpose and nature of this intervention to a wider audience. A clear statement about the program also

enables involvement of many other stakeholders in the effort. A vast majority of livelihood promotion efforts suffer from ‘infant mortality’, because this phase is not properly managed. In spite of the best planning, when operations are initiated, things go very differently and many contingencies arise. Thus the initiators have to come up with an implementation of one or even many alternate plans! This causes a lot of stress, on both financial and human resources, and it becomes vital to remain focused on the long-term goals to overcome this stage.

8.8 Monitoring, Evaluation, Learning and Redesign

However, livelihoods of people are affected by a wide range of factors many of them external, and beyond the control of the participants. Therefore, it is essential to develop appropriate systems of monitoring and mid-course correction. Livelihood intervention programs are incomplete without such systems. It has been argued that livelihoods present dynamic challenges, where the livelihood context changes very rapidly. Therefore, livelihood professionals have to be mentally and operationally ready to change the goal-post.

An appropriate system has to be in place to handle such changes. One of the risks of such endeavors, with changing goal-posts, could be obsessive criticism of whatever is achieved or done. On the other hand the dynamic nature can be used to justify any inadequacies in the program implementation taking shelter under the fact that the earlier goal has become irrelevant over time. Therefore, it is crucial to develop a sensitive monitoring system that can respond to some of the changes in the context, and at the same time ensure non-deviation from the main goal of the initiative.

8.8.1 Fixing Key Indicators and Conducting a Baseline Survey

As a first step it is essential to identify some critical indicators of progress. As livelihood is multidimensional, many variables need to be kept under watch. But statistical theory indicates that as the number of variables rise, the rigor or strength of the measure goes down. Therefore, finding an appropriate set of key variables becomes a critical task. For example, total volume of *Makhana* collected may be rising, but the number of women actually engaged in that work may tell a different story. Thus, it is important to choose the right set of key indicators to be monitored.

8.8.2 Monitoring Processes – Participatory and Others

The next critical task for the livelihood professional is to design an appropriate monitoring process. As livelihood is multidimensional and information about many of the dimensions is available with the community members, the monitoring process will have to accommodate participatory processes. However, a participatory monitoring process is expensive and also tends to become slow.

If the purpose of the monitoring is mid-course corrections and changes in the program, slow monitoring defeats that very purpose and it is often in danger of becoming a post-mortem. Developing a process that makes relevant set of information available for quick decisions becomes very critical, especially since the livelihood context is very dynamic. An important character of the monitoring system in a dynamic context is the management's ability to respond to information thrown up by this system. As a result, it pays to consider an appropriate and timely response system while designing the monitoring system.

8.9 Mid-term and End of Project Evaluation and Learning Therefrom

The Mid-term and End-term Evaluation by a suitable external agent are two other critical processes when designing a livelihood intervention project. This process is distinct from the regular monitoring process. The regular monitoring process has to deal with a large number of variables, given the dynamic nature of the livelihood context. Therefore, it is essential to build in a system of continued learning in a livelihood intervention design, both at a local level and at a larger level. The eventual idea is to move livelihood promotion practitioners to engage in 'reflective practice'¹⁹¹ We will describe this term briefly, which emanated at the MIT from the work of Donald Schön and Chris Argyris.

Reflective practice is 'the capacity to reflect on action so as to engage in a process of continuous learning'. According to one definition it involves 'paying critical attention to the practical values and theories, which inform everyday actions, by examining practice reflectively and reflexively'. This leads to a developmental insight.

¹⁹¹ Schön, D. (1983) *The Reflective Practitioner, How Professionals Think In Action*, Basic Books

Reflective practice can be an important tool in practice-based professional learning settings where individuals learning from their own professional experiences, rather than from formal teaching or knowledge transfer, may be the most important source of personal professional development and improvement. Further, it is also an important way to be able to bring together theory and practice; through reflection you are able to see and label schools of thought and theory within the context of your work¹⁹².

There are a number of Indian development and livelihood promotion organizations which have been inspired by this view of individual and organizational learning. The most notable of these is PRADAN, which was introduced to Schön's ideas and book by Prof Rolf Lynton in 1987 through PRADAN's founder Vijay Mahajan. This was carried on under the guidance of co-founder Deep Joshi for another 15 years.

It not only adopted many of the concepts in its institutional processes (for example, holding an organization wide 'retreat' of three days every six months) but also pursued reflective practice relentlessly. It is not for nothing that PRADAN is regarded as one of the most effective as well as thoughtful livelihood promotion organizations in India. Besides Deep Joshi of PRADAN, Al Fernandez of MYRADA, Rajesh Tandon of PRIA, Girish Sohani of BAIF, K. S. Gopal of CEC, CS Reddy of APMAS and Ajay Mehta of *Seva Mandir* are some of the other deeply reflective practitioners in the sector.

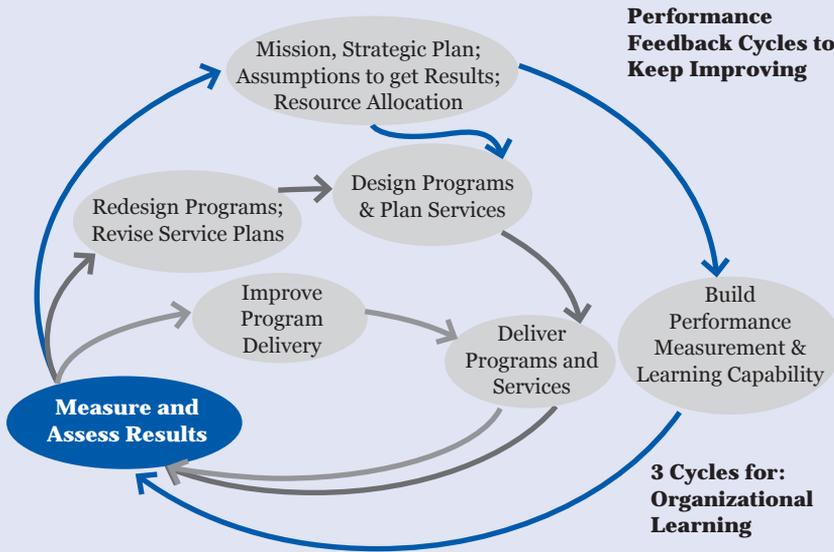
In the Government too, agencies such as APSERP, APRLP, MPRLP and *Kudumbashree* have had early leaders like K. Raju and Vijay Kumar, Satya Pal Tucker, Jitendra Agrawal and T. K. Jose who are reflective practitioners. The late Anil Shah, who retired as Planning Secretary of Gujarat was also a reflective practitioner.

All these people and numerous others not named, work towards building 'learning organizations' and establish the necessary processes, norms and supportive culture. The learning is not of the single or double loop variety, but the 'triple loop' kind, explained below. Triple loop learning, a concept developed by Hawkins,¹⁹³ based on the work of Chris Argyris and Donald Schön on 'double loop learning', is described below graphically:

¹⁹² http://en.wikipedia.org/wiki/Reflective_practice

¹⁹³ Hawkins, P (1991). The spiritual dimension of the learning organization. *Management Education and Development* 22(3): 166-181

Figure 29: Triple Loop Learning



In the inner loop of the model, program staff, who can be program managers, operations supervisors, or service delivery staff (including contractors) regularly measure and assess operational results to make day-to-day or month-to-month improvements in a [livelihood promotion] service delivery operations.

In the middle loop, management uses measured results to determine whether the program design needs to be changed. For example, analysis of results may indicate a program design flaw that leads to inconsistent service quality, so management may try to build better quality assurance into the program. Analysis may also indicate occasionally arising external conditions that negatively affect results. This may suggest that adding a new program element to detect and address those conditions, when they arise, may be valuable (For example, a community health clinic may develop a referral relationship with a homeless services program).

In the outer loop, basic resource allocation decisions across programs or regions are driven by performance results, and, in the long-term, a [development] agency may revise its strategic plan or even its mission. As noted in the bubble on the right side of the graphic, the organization can also improve its performance measurement capabilities (e.g., develop better measures or targets, improve the technology and systems used to manage performance data) and people throughout the organization can learn how to be better users of performance information, essentially 'learning to learn more effectively'.

We end this Chapter with the hope that livelihood promotion organizations would engage in reflective practice and experience triple loop learning.¹⁹⁴

¹⁹⁴ The diagram and the text are from Managing for Results and Organizational Learning Models. Accessible at <http://www.auditorroles.org/professional-context/managing-for-results-and-organizational-learning-models.html>