

The Sustainable Livelihoods Approach: a bottom-up approach to overcoming poverty

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Author(s): Moussa Haddad **We're used to hearing – depressingly often these days – about people living in poverty as being variously feckless, undeserving, or suffering from dependency: in short, as passive, unthinking victims.**
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Source: IPPR **What if, instead, we started from the premise that people living in poverty are, like everyone else, rational actors in their own lives – doing the best they can, in the circumstances in which they find themselves?**

That is the logic of the Sustainable Livelihoods Approach to poverty analysis and community development (SLA), used in Oxfam's international work, and which Oxfam and Church Action on Poverty (CAP) have been pioneering in the UK.

Rather than starting from a negative view of what people in poverty lack (such as work, money, or skills), the SLA starts by considering people's assets. While they may often lack financial assets, people in poverty have strengths and capabilities, which they draw upon to construct strategies to get by. These may include social capital, physical assets (eg a car, or the tools of a trade), human capital, and the resources that people can draw on because of where they live, such as public services. Recognising these assets, how they are distributed within the household, and thinking about how to unlock their potential, adds depth to our understanding of poverty.

In considering what impacts on people's decisions to pursue new livelihoods strategies – to take up training, to start a new job, or to move in pursuit of one – it is important to take account of risk and vulnerability. Livelihood decisions can put existing assets at risk. For example, someone on benefits who takes up insecure or temporary employment may be risking their financial stability for a job that could end up leaving them worse off. For families on low incomes, vulnerability to shocks may be a key factor in decisions. So, for example, in the absence of robust social insurance, it may not make sense for someone to move away from extended family to take a job, when they can provide emergency child care, offer a spare room, or make a loan in a time of crisis.

Men (and women) make their own histories, but they do not make them in circumstances of their own choosing. While the SLA recognises that people in poverty are active and rational drivers of their own lives, it does not deny the importance of the context in which they make their decisions and build their livelihoods. How institutions, regulations, the economy – and the political and policy context more broadly – shape the conditions in which people live, at the neighbourhood, local, or national level, is of crucial importance to how successful their livelihoods will be. But what the SLA in its totality tells us is that it is important that those policies and that context are redesigned in a way that goes with the grain of people's livelihoods – which requires understanding the reality of the lives of people in poverty.

Together, these insights combine to tell us that people experiencing poverty are active in their careful assessment of risk and make rational decisions and choices about their lives, in light of the external and internal constraints they face. Any approach to poverty reduction which rests upon a demonisation or 'othering' of people living in poverty, which treats their decisions as somehow irrational, has failed to understand their reality, and will thus fail in its aims.

Oxfam and CAP have used the SLA at community level across the UK since 2005. This work has helped us to identify and act upon individual, household and local issues, and to help improve the lives of people and communities. But it has also demonstrated to us that there are limitations to what can be achieved locally, and pinpointed areas of national policy that need to change. Informed by these findings, we have sought to explore the potential of the SLA at a national level to help poverty-proof policy work.

One area of public policy illuminates what this means in practice. In some aspects, the Coalition government's approach to welfare reform has embodied SLA principles. At present, the benefits system leaves people who leave unemployment at risk of debt and ultimately being worse off if their job doesn't work out, or even when awaiting their first paycheque. The Centre for Social Justice's work, on which the universal credit is largely based, began by studying the landscape of financial incentives faced by benefit claimants, and sought to reconstruct the system to improve that. By smoothing the transition between unemployment and work – and, crucially, by providing support based on income changes in real time – universal credit will reduce much of the risk attendant in moving between unemployment and work, or between different jobs or number of hours in a job.

Other aspects of welfare reform could be improved by using an SLA analysis. This government continues to extend conditionality and sanctions on the one hand and to run down benefit levels on the other. This modern version of the 'principle of less eligibility', practised by successive governments, has conspicuously failed to end mass unemployment (often described as 'welfare dependency'). Far more positive would be to focus on supporting people at an individual level to address these barriers by building on their strengths. The Work Programme, which is the government's vehicle to achieve this, is compromised by taking an outcome-focused approach in which the only outcome assigned any value is employment. In reality, there may be many interim steps – such as therapeutic activities, or training – on the road to a sustainable livelihood which will enrich people's lives in themselves, and act as a stepping stone to employment.

Finally, the government must pay far more attention to what happens beneath the household level. At present, Universal Credit is based upon a single, household-level analysis, leading to a single, household-level payment. This is fraught with danger, since resources are not distributed equally within households, and how money goes into a household – for example, whether payments to children are labelled and paid to the main carer – enormously impacts upon the well-being of members of that household.

Taking a Sustainable Livelihoods Approach to welfare reform and many other aspects of public policy can enrich the analysis undertaken and the solutions offered. A recent joint report of Oxfam, IPPR North, CAP and Urban Forum, *Community Assets First*, explores the potential application of SLA to the policy areas of welfare reform, homes and neighbourhoods, financial inclusion, and community and society. Following on this work, we would urge policymakers, researchers, and community practitioners to use the SLA to help them develop a more holistic approach to anti-poverty work, an approach which works with the grain of people's livelihoods, and takes them as active participants in their own lives – and in changing them for the better.