

Although the term ‘methods’ is used as overall shorthand, it is important to note that data sources differ from the approaches employed when gathering data, and from alternative perspectives on problems or types of data analysis. The key to effective SL analysis is to be flexible, employing a range of different ‘methods’ as the need arises. It is important to build on existing tools and skills but at the same time it is essential to avoid unfounded preconceptions and undue sectoral bias.

The fact that marginalised groups are highlighted does not mean that they are necessarily the target beneficiaries. However, it is important to understand who they are and how their livelihoods are constructed in order to assess how they will be affected by development activity. It is also important to understand if other groups will become marginalised as a result of planned activities.

This section of the *Guidance Sheets* is about the process of investigating livelihoods for project and policy purposes. The aim of the section is to provide the reader with an approach to gaining an overall understanding of livelihoods, and a range of methods for tackling the key components of the SL framework.

- Sheets 4.1–4.4 examine the process of livelihoods analysis and provide an introduction to a range of common tools.
- Sheets 4.5–4.6 provide more detail on rapid and participatory methods and sample surveys.
- Sheet 4.7 looks at some of the issues and dilemmas that can arise during the course of analysis.
- Sheets 4.8–4.13 focus on particular components of the framework and the methods best suited to exploring these.

Why investigate livelihoods?

The SL approach offers an opportunity to improve poverty reduction efforts by taking an all round view of the circumstances of the poor, as they themselves view them, rather than jumping to early conclusions and immediately proceeding to conduct isolated, in-depth analysis of particular attributes.

- What appears to be the mainstay of household income – e.g. a cash crop such as cocoa or coffee or a particular type of paid employment – may make a much smaller contribution to the family livelihood than is expected from initial impressions.
- Asset constraints vary from place to place, group to group and across income levels; poorer groups typically have more limited access to assets and are more constrained in their choice of livelihood strategies than richer groups.
- Different social groups within a community typically experience differing risk factors in their livelihoods; these need to be understood if vulnerability is to be reduced.
- The capability of individuals and groups to exercise choices may be constrained by social and governance factors that are not immediately obvious.

SL analysis provides a holistic framework for understanding the need for, and likely focus and objectives of, subsequent development activity. Such activity may itself be sectoral, though its objectives are most likely to be framed in terms of overall poverty reduction.

Core principles of livelihoods analysis

To make an effective, overall contribution to the operationalisation of an SL approach and poverty elimination, livelihoods analysis should be conducted with partners and be informed by a few core ideas. These relate directly to the core concepts that underlie the SL approach as a whole (see 1.3).

- Effort should be devoted to identifying and understanding the livelihood circumstances of marginalised and excluded groups.
- There is invariably a need for disaggregation – into men, women, different age groups, etc. It is not sufficient to take the household as the sole unit of analysis.
- The SL approach seeks to build upon people’s strengths and resourcefulness; we should avoid thinking only about need.
- The SL approach embraces the idea of dynamism; we should avoid taking one-off snap shots and instead think about change over time, including concerns about sustainability.
- There will never be a set recipe for what method to use under what circumstance. Flexibility is key. Equally, it is not necessary to produce one definitive ‘map’ of livelihoods. Different ‘maps’ may be appropriately used for different purposes.

What difference does SL make?

One way of conducting SL analysis is to bring together the findings of more conventional analyses and to review the finished products through an ‘SL lens’ (see 3.3). Although this may sometimes be

the most practical option, it is sub-optimal – compared to employing different types of analysis in the service of an overall SL analysis. Analysis that is guided by SL principles would be likely to:

- look for different issues, including focusing more on the various components of the SL framework and taking a wider remit in terms of the range of issues, institutions and organisations covered;
- be non-sectoral and relatively open-ended;
- be more aware of dynamic interactions and complexity and seek to find constructive ways of dealing with this diversity;
- seek to gain a fuller understanding of economic, institutional, social and environmental sustainability; and
- actively seek to understand the importance of macro–micro links (e.g. the impact on different groups of particular national or regional institutional arrangements or economic trends, the importance of using locally-collected data in policy formulation processes, etc.).

In sum, SL analysis asks a broader range of questions about poverty and its causes. It is not bounded by sectors or existing notions of what is important. Detailed follow-up is then determined by the findings of the initial broad analysis. At this stage, sectoral expertise may become more important.

Skills, tools and perspectives

In order to achieve both breadth and depth of analysis, it is important to build on all relevant skills, perspectives, tools and knowledge. Fortunately our ‘tool box’ already contains many useful options. These should not be overlooked in the quest for ‘the new’. Instead they should be flexibly combined to meet the objectives of the SL approach and poverty elimination.

Social, economic, environmental and governance perspectives and tools are all part of current DFID practice. The SL approach stresses the importance of all these areas and the contribution that they make to our understanding of livelihoods and poverty. It also draws attention to their complementary and overlapping nature. In particular, tools such as stakeholder and gender analysis and participatory approaches to information gathering are common to all areas and they can, and should, be used iteratively throughout SL analysis (see 4.3-4).

It is not only social science-based methods that are important in SL analysis. Analysis based on the natural and physical sciences may be particularly useful when analysing certain types of capital or when assessing the overall environmental sustainability of livelihoods in fast-changing situations (e.g. rapid rural to urban migration or industrialisation) where the past provides little indication of what the future might hold.

Box 1. Overlap between various existing perspectives

Perspective	Key objectives are to understand ...	
Social	<ul style="list-style-type: none"> • important differences – in access, perspective, power, etc. – between social groups • the value attributed to different livelihood assets and outcomes • local social organisation and its effect on livelihoods <p>– and to promote the needs of, and participation by, the poorest and most vulnerable groups</p>	<ul style="list-style-type: none"> - common tools - overlapping objectives - shared data requirements - mutually reinforcing information
Economic	<ul style="list-style-type: none"> • the economic environment in which people operate including: asset and other prices; economic incentives; returns to different strategies; the local effects of economic policy; production and consumption decisions; household budgets, etc. • the economic factors behind organisational/institutional behaviour 	
Institutional	<ul style="list-style-type: none"> • the institutional context of livelihoods, including the role and performance of structures and the appropriateness of the processes adopted to support livelihoods • the quality of governance systems • the nature of policy-making processes and the local impact of policy 	
Environmental	<ul style="list-style-type: none"> • the effect of livelihood strategies on the environment (including health, pollution, etc.) • the impact of environmental factors on livelihoods and poverty 	

Not all livelihoods analysis starts 'from scratch'. It is important to make use of existing information while avoiding existing preconceptions.

Adequate time should be allowed for bringing partners into the SL analysis process. It is important to build on partners' existing knowledge, to adapt methods to their needs and skills, and to ensure that they have the capacity to make a full contribution (see also 3.1, 4.7).

This sequence of analysis can equally well identify policy or local factors as the major constraint to livelihoods. If national-level SL analysis is called for (as an input to policy-making) it will be necessary to adapt this sequence, working more with secondary data and 'representative' sites.

Scope and scale of analysis

SL analysis aims to find out about livelihoods in order to improve the design and implementation of poverty reduction efforts. It should initially be broad and relatively shallow, covering most or all aspects of the SL framework and employing various perspectives and types of analysis. As the main dimensions of livelihoods are uncovered and the meaning and causes of poverty become better understood, the analysis should become iteratively narrower and deeper.

The following are guidelines for the process.

- Begin by developing a broad understanding of livelihoods and their context, leading later to in-depth investigation of critical issues.
- The scale of enquiry should match the scope of the proposed project. At one extreme, the SL framework can be used as a loose guide to the range of issues that need to be covered by low cost and informal research methods. At the other extreme, the framework can be rigorously investigated in all its aspects utilising a range of individual, household and group methods.
- More elaborate investigation is required where there is lack of clarity about the beneficiaries of an intended project or policy shift, and lack of understanding about how the circumstances of the poor differ from those of the better-off.
- Similarly, greater depth of analysis is required when initial exploration (e.g. using key informants) results in ambiguous or incomplete understanding about the way in which a project or programme will improve the livelihoods of the poor.
- It remains important to keep in mind the broad dimensions of livelihoods and to continue with analysis of wider constraints even as the investigation becomes more specialised. This will help ensure livelihood outcomes are achieved and not thwarted by overlooked factors.

The SL framework is not a strait-jacket; it should be applied flexibly, rather than becoming over-codified and obligatory. If flexibility is lost, new insights that the SL approach seems able to provide will most likely be suffocated, and time and resources will be wasted.

The sequence of work

SL analysis is equally important for policy-level and local-level projects. Indeed, since the SL approach emphasises the importance of macro-micro links, the distinction between these two types of projects is likely to become increasingly blurred. Furthermore, even when it is clear from the outset that the primary focus will be on policy or higher-level structural issues, it is important to collect local-level information to feed into the policy-making process. The SL approach stresses outcomes for poor people. These can only be understood through working with poor people themselves.

The following is a typical sequence for field-level SL analysis:

- a site (or several sites) for poverty reduction activity is chosen, usually based on secondary data, existing partnerships and activities;
- further secondary data is collected and analysed (if available);
- key informants are interviewed to gain a better understanding of the site(s) – a semi-structured list of questions covers the key components of the SL framework;
- one or more community meetings are held to obtain an overview of strengths, constraints, institutions and widely held priorities for action;
- more detailed participatory work is undertaken to ascertain the validity and significance of factors raised, and to examine variation in opinion across groups;
- once a proposal begins to move into an operational phase, additional in-depth investigation may be required. In some instances rapid methods may be sufficient, on their own, to plan activities for funding. In others, more lengthy investigation of particular features will be required (e.g. through sample surveys or more extended use of participatory methods).

Who is responsible for what?

In an ideal world, teams performing SL analysis for project or programme purposes would incorporate a specialist for each angle that requires investigation. These specialists would be managed by an overall coordinator with a strong background in SL issues. It would be the coordinator's job to guide the process, helping to design the analysis so that it is cross-disciplinary and cost-effective. A key challenge for such teams would be to ensure that the analysis focuses on the reality of what is seen on the ground, rather than on sectoral preconceptions (see 3.3).

The SL approach stresses the value of team-working and puts a premium on effective team leadership. In the scenario above, it should be the task of the team leader to ensure that the various specialists work together, sharing their expertise, data, skills and tools throughout the process of analysis. This contrasts with a situation in which specialists employ their own methodologies, pursue their own agenda and work in isolation, coming together only at the end with a 'finished product' to be integrated into the whole.

Sometimes it is not possible (for cost or other reasons) to put together teams with the requisite array of specialists. Where this is the case, it will be particularly important for all team members to take a wide view of the task in hand so that key dimensions are not neglected. In most cases this will be sufficient. However, if opportunities and/or problems appear to be concentrated in an area for which there is no specialist, there may be a need to revisit the analysis with such a specialist at a later date.

Knowing when to stop

The SL approach is prone to 'information overload' – the collection and processing of data far in excess of what is required in order to make effective decisions about poverty reduction projects.

- A sense of proportion is required: for small projects targeted at specific problems (e.g. finding a solution to a pest problem in chickpea production or to neighbourhood crime problems in poor urban areas), the livelihoods framework can be used as a quick checklist to ensure that this is a genuine priority problem and that other factors (e.g. land access, local authority) will not get in the way of project outcomes or cause adverse 'knock-on' effects.
- Broad-scale livelihoods investigation is more appropriate for larger, multi-faceted or policy-oriented projects and programmes. Common sense must be used to ensure that the resources and time taken for livelihood investigations are proportional to the likely scale of the resulting development activity.

In all cases it is important to avoid spending too much time and resources on information collection, to the detriment of analysis. The many aspects of the SL approach are complex. Without good analysis, even the best data is of little value.

It is more important to ensure that the 'right' questions are asked in an appropriate way – leading to an accurate and broad view of poverty and its causes – than to worry unduly about team composition, particularly in the early stages of SL analysis. Indeed, these *Guidance Sheets* aim to provide everyone with the basic tools and information to conduct effective livelihoods analysis.

A one-year NGO project designed to facilitate women's group formation around health issues does not require the same depth of understanding about livelihoods as a multi-objective, multi-partner, ten year watershed project.

See Section 8 of the *Guidance Sheets* for further reference material on various of the topics addressed in this and sheet 4.4.

Understanding environmental issues and the role they play in causing and perpetuating poverty is central to the SL approach. It is not always necessary to use 'traditional' environmental screening techniques to gain this understanding. What is important is to use a variety of techniques to gain information about environmental concerns and conditions, to ask the 'right' types of question, and to ensure adequate follow-up of the information gathered.

Gender analysis is distinct from – but complementary to – the need to ensure that all other types of data (e.g. on livelihood strategies and assets) are gender-disaggregated. The starting point of gender analysis is that there is a distinction between the livelihoods of men and women. The nature of this distinction is examined from various angles to gather a full and realistic picture of the role of women in society and the constraints they face.

This sheet and 4.4 provide an introduction to some of the important tools that we already have available to us for use in SL analysis. The tools appear in alphabetical order. No attempt is made at exhaustive coverage. Important points to note are that:

- These are not discrete tools – they overlap internally (e.g. market analysis or institutional appraisal might both make use of stakeholder analysis, and gender analysis will feature as a component of most other types of analysis). They should be used iteratively.
- Some tools are relevant for all aspects of SL analysis. Others are more appropriate for particular framework components or particular levels of analysis (local, district, national, etc.).
- Though these are 'traditional' tools, it is important to use them creatively. The SL approach demands more of existing tools while the SL principles and framework provide the basis for adapting tools to new uses. The focus should be on development outcomes not disciplinary orthodoxy.

Environmental checklists

Environmental checklists are used to gain a better understanding of the relationship between the livelihoods of the poor and their environment. Checklists cover a range of questions. Some provide more general information, while others support detailed analysis of key livelihood issues highlighted in earlier investigation. Areas covered include:

- *Livelihood opportunity*: What role do environmental resources play in the livelihoods of the poor? Are important environmental resources being degraded? If so, why? What role do policies and institutions play in that degradation?
- *Health*: What is the contribution of pollution and other environmental factors (e.g. low quality drinking water, poor air quality, lack of sanitation, etc.) to the total burden of environmental disease of the poor? How prominent are vector-borne diseases in the total burden of disease?
- *Security/vulnerability*: To what extent are people vulnerable to natural shocks and disasters (e.g. droughts, floods, earthquakes, landslides, etc.)? Why are they so vulnerable (e.g. unstable soil, inadequate shelter, lack of coping mechanisms, inappropriate planning, etc.)?
- *Empowerment*: What capacity do local institutions have to manage and use environmental resources? Do the poor participate in decision-making concerning these resources?

There is clearly a close relationship between the above types of question and analysis of the *Vulnerability Context* (see 4.8), *Livelihood Assets* (see 4.9–10) and *Policy, Institutions and Processes* (4.11).

Gender analysis

Gender analysis aims to uncover the dynamics of gender differences across a variety of issues, such as:

- *Social relations*: How are 'male' and 'female' defined in the given context? What are their normative roles, duties, responsibilities?
- *Activities*: What is the gender division of labour in productive and reproductive work within the household and the community? Who does what, when and where? Who performs reproductive, productive, community managing and community politics roles?
- *Access and control*: Who has access to and control over which resources, services, institutions of decision-making and networks of power and authority?
- *Needs*: What are the distinct needs of men and women? What are women's *practical* needs (i.e. given current roles, without challenging society) and what are their *strategic* needs (i.e. needs which, if met, would change their position in society)?

Governance assessment

DFID's good governance assessment framework – currently structured for assessing the quality of national governance systems – uses a series of checklists for eight major areas: state viability and

sovereignty, structure of government, transfer of power and electoral arrangements, levels of government, government effectiveness (institutional and economic) and treatment of the population.

The questions most relevant to the SL approach that the checklists try to answer include:

- Is political power exercised fairly? If not, who is disadvantaged?
- How efficient and accessible are local service providers?
- Are government organisations honest, efficient, effective and accessible?
- Are basic human rights protected and enforced through the rule of law? Are property rights clear and enforceable? Do all have equal access to the formal justice and legal system? Do informal/traditional justice systems discriminate against certain groups?

The challenge in governance analysis is to differentiate between those factors 'controlled' by the structures closest to communities (e.g. local governments) and those variables determined by higher, and usually more remote, tiers of government. Within DFID, governance analysis currently focuses on the national arena. Further work is required to tailor the techniques for use with lower levels of government and community structures.

Institutional appraisal

Institutional appraisal is a continuing rather than one-off task. It can be applied at various scales with different institutions and stakeholder groups. It seeks to understand the nature of the external environment and the impact of different factors within it, including:

- whether responsibilities (e.g. for service delivery, environmental management, etc.) are sensibly allocated within government and between it and the private sector (including local people);
- roles, strategies and whether organisational structures match functions (including looking at the nature of interaction between organisations and their clients at various levels);
- leadership, management style, incentives (financial and otherwise) and organisational culture and their implications for the content of, and approach to, change;
- management systems and their impact on performance (using key baseline indicators);
- human resource requirements and constraints; and
- financial performance and prospects for viability.

Institutional appraisal techniques are built around a series of checklists. These are most often used for formal structures and documented processes, though they can also be applied – with some modification – to more informal institutions and processes. In the SL context informal institutions can be of vital importance; though they are more difficult to understand, they should not be neglected.

Macro-economic analysis

Macro-economic analysis enables us to understand the impact on the livelihoods of different groups of current macro policy (and to predict the effects of proposed policy changes). Macro policies – monetary, fiscal, trade and exchange rate conditions – affect the national economic context within which people make livelihood decisions. For example:

- When there is a devaluation, the local currency price of both traded commodities (e.g. export crops) and imported consumer goods and production inputs increases. This tends to encourage production for export and discourage imports. The impact upon the poor will depend upon their production/consumption patterns.
- Low interest rates can lead to inflation, which hits the poor hardest as they tend not to be able to protect against it by holding inflation-indexed assets (e.g. land and housing). On the other hand, high interest rates reward savers compared to borrowers, and the poor often have outstanding debt.

A critical review of key macro variables – usually based on secondary data – is therefore essential. This has strong links with the trends aspect of the *Vulnerability Context* (see 4.8).

There are strong links between institutional appraisal and the investigation of formal and informal institutions that has been part of most participatory poverty assessments (see 4.4).

Macro policies also mediate between the national and the international economy, affecting the way in which international prices and flows of resources feed into, influence and interact with national economic changes.

Food markets are key to livelihoods. It is particularly important to understand the extent to which the poor participate in these markets, on what terms, and whether they are net buyers or sellers at different times of the year.

PPAs are more than just a set of research techniques. They provide a new understanding of poverty and new paradigms for action.

Social and economic analysis often overlap. For example, when analysing village power structures in Malawi, social analysts were interested in the functioning of the authority system, while economists were interested in authority's effects on land allocation, investment decisions, etc. When looking at markets, economists are interested in prices, margins and efficiency while social analysts are more interested in the personal relationships between market actors and who is excluded.

Market analysis

The SL approach recognises the importance of the private sector and markets. Markets are important in determining access to assets and livelihood strategies, terms of exchange for assets, and returns to investment. It is important to understand why markets work as they do, why they sometimes fail and what can be done to improve their working to the benefit of the poor. This includes consideration of who participates in markets, how markets are structured (e.g. number of buyers and sellers and market 'imperfections' such as lack of property rights) and prevailing price and volume trends. The behaviour and performance of markets is critically determined by their integration with other (for example regional or national) markets, and by institutions and infrastructure that support information flow and reduce the costs and risk of market transactions.

Participatory poverty assessment techniques

Participatory Poverty Assessment (PPA) is an iterative, participatory research process that seeks to understand poverty from the perspectives of a range of stakeholders and to involve them directly in planning follow-up action. PPAs make use of a flexible variety of PRA-derived techniques to elicit key characteristics of poverty in specific areas and among specific individuals or groups. PPAs can be standardised across different areas and groups by using the same set of questions or discussion points. These might include, for example:

- What is a good life and what is a bad life?
- What are poor people's priorities?
- What are the nature and quality of poor people's interactions with institutions?

PPAs enable the poor to define the dynamics of poverty in a particular area or among a particular group. Because they elicit information on the relationship between livelihoods and poverty processes from the poor themselves, PPAs constitute a key aspect of an SL-oriented social analysis.

Risk assessment

See 4.8

Social analysis (see also 4.9 for a discussion of social capital)

Social analysis provides information on relevant characteristics of poverty, vulnerability and social exclusion, including:

- the social positioning of individuals or families (distinguished by kinship, age, gender, ethnicity, religion, caste, etc.);
- which social axes (e.g. standard of living or extent of poverty, gender, age, ethnicity) are important in defining groups for more detailed livelihoods analysis;
- what the dimensions and effects of exclusion of various groups are (e.g. lack of access to assets, to services, to household or community-level social institutions, or lack of voice);
- the existence and cause of conflicts within communities;
- power and authority as manifested by traditional authority (e.g. village chiefs, community leaders) and the authority of the state and its agencies; and
- non-market, social institutions such as customary tenure, common property.

Social analysis aims to understand the perspectives of the poor in their own context. This includes taking into account the fact that livelihoods are socially constructed so that things such as the relative value of different types of capital will differ by social group.

Stakeholder analysis

Stakeholder analysis is used to identify primary and secondary stakeholders and the relationships between them. Stakeholder analysis can help to reveal, for example:

- the capacities of different stakeholders to participate in (and benefit from) development activity, and their perspectives on that activity;
- the relative political power, access to information and institutional means to command attention (including blocking change) of different groups;
- the complexity of organisational relationships;
- the area and sources of power and patronage;
- who depends upon which environmental resources and services and how they are affected by change;
- gaps and overlaps in the roles and functions of different stakeholder groups.

If carried out properly, stakeholder analysis also helps bring the poor into the development process and ensure that their views are incorporated in decision-making.

Strategic conflict assessment (SCA)

The introduction of new technologies, privatisation of public services, commercialisation of common property resources, growing consumerism and new government policies all exert pressure on individuals and community groups. This pressure can manifest itself in conflict, which is an underlying constraint to the livelihoods of many of the poor (see 4.8).

The aim of SCA is to come to a multidimensional understanding of conflict within a country or region, to assess its impact on various groups and to identify opportunities for peace-building. It can be used when conflict is latent, open or disguised by fragile peace. Key steps in SCA include:

- consultation with relevant stakeholders;
- identification of conflict-related risks (using economic, environmental, social, political and security-related indicators);
- identification of strategic opportunities for peace building (through facilitating local peace-building capacity or otherwise);
- definition of a conflict management strategy; and
- monitoring and review of that strategy.

Where severe conflict is found to exist, there may be cause to abandon proposed development activity in an area. Alternatively, it may mean that peace-building efforts must precede any other project activities.

Strategic environmental assessment (SEA)

Appraisal of environmental issues early on in strategic decision-making helps orient any subsequent programmes and projects. SEA focuses on issues of policy and planning, providing information that enables policies and plans with likely adverse consequences to be amended and those that offer environmental opportunities to be promoted. In particular, SEA allows consideration of alternative strategic options to meet the same goals, leading to greater flexibility in mitigating negative impact, especially at lower levels.

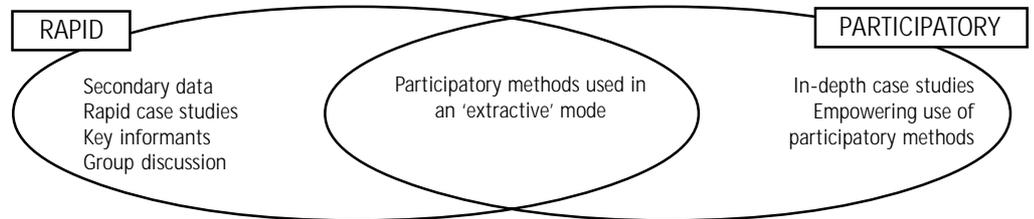
The overall aim of the process is to integrate environmental considerations with economic and social development planning and to facilitate broader consultation in strategic decision-making.

Primary stakeholders are those that are directly affected by an activity (e.g. the desired beneficiaries of a project and the implementing agencies). Secondary stakeholders are indirectly affected by the activity (e.g. non-beneficiaries whose access to a resource may be affected, traders who may benefit, etc.).

Environmental insecurity is an important source of tension and disputes. It can exacerbate other forms of conflict. Major 'man-made' threats (e.g. increased competition for water, deterioration of agricultural land, etc.) often interact with and reinforce natural threats (e.g. flooding) resulting in large-scale population movements. But people often migrate into areas that are even more environmentally fragile or disaster-prone. They therefore enter a vicious circle of displacement, environmental disruption and further displacement.

There is a strong overlap between SEA and the analysis of policy that is described in Sheet 4.11.

Rapid and participatory methods are two important categories of tool for conducting livelihoods analysis. They overlap, as the figure below illustrates.



Newspapers and other forms of media can be a useful source of secondary information.

Secondary data

Secondary data refers to information and statistics that are already available when livelihoods investigation begins, including: reports by NGOs, donors or government agencies (including the results of national or regional (participatory) poverty assessments); the results of previous in-depth research in an area; and statistics regularly collected and published by government agencies.

Secondary data can be uneven in coverage, availability and accessibility. It may focus only on major livelihood strategies or characteristics and it can also be unreliable. But it does also have advantages – often providing material that is not available elsewhere and that cannot be collected in a project context (e.g. information on the macro-economy and national environment that helps shape our understanding of the *Vulnerability Context*). It should be used to inform, rather than frame, our understanding of livelihoods.

It may sometimes be appropriate to seek out key informants because of their profession or expertise – e.g. a health worker to discover how a local clinic is funded – but this is not the only purpose to which this method can be put.

Key informants

Key informants are individuals who are approached for their views on livelihood issues, using a semi-structured list of questions. There is no need for these informants to hold particular positions of prestige or power. Indeed, for livelihoods work, the key informants chosen should be diverse – government officials, private entrepreneurs, traders, community leaders, teachers, farmers, women of different ages and occupations, people from groups that tend to be excluded, ordinary citizens, etc.

The knowledge that can be gained from key informants – especially about the more complex issues that may not be appropriate for group discussion – is often underestimated. When starting from scratch, there is probably no method that is as low cost, relative to the increase in understanding obtained, as spending three days in an area talking to a wide variety of people around a particular theme. The key to maximising the value of this method is triangulation, meaning that the views and opinions of diverse individuals are solicited. However, in this process, awareness of the existence and potential dominance of certain groups or interests is critical, and guarding against this by ensuring that the viewpoints of ‘silent’ groups are included is necessary.

Case studies may need to be built up over a long period of time: this is not always a rapid method. Longer-term pieces of work help build trust with informants. If trust is lacking, data generated may be quite unreliable. A common problem occurs when answers are tailored to fit in with the perceived interests of the interviewer.

Individual and household case studies

Case studies represent a step up in the level of detail from key informant interviews. They typically involve a semi-structured list of questions allowing for a mixture of qualitative and quantitative data to be collected. Ideally, individuals or households should be purposively selected to represent rather different livelihood circumstances (of poor people) so that a range of experience can be compared. Output is typically in the form of a page or so ‘pen portrait’ on each individual or household interviewed. In some cases, a sample survey form may be used (see 4.6), though this is not done with a view to inferring population characteristics from the data collected.

One-off application of this method is inexpensive and timely, and well-suited to being done in conjunction with PRA activities. Potential failings include undue fascination with the lives of a few

respondents, leading to failure to grasp the larger picture. Because random sampling methods are not followed, there is a risk that the cases chosen represent the interviewer's personal biases, or are atypical of the livelihood circumstances of the social group from which they are selected. Case studies are therefore usually (but not always) used in conjunction with other methods.

Participatory methods

The SL approach builds on the success of participatory methods in making local-level development initiatives much more people-centred. Nowadays, participatory approaches are used not only for investigative purposes, but also to involve people in the processes that affect their livelihoods and empower them in dealings with external actors. By inviting community members to facilitate participatory exercises, learning within the community can be maximised. If service providers are included in the exercise, it may be possible to find solutions that these providers will support in the longer term.

Although there can be problems of bias, participatory approaches offer an excellent array of techniques for rapid exploration of livelihoods (see Box 1). They have substantial strengths in terms of qualitative information, ordering of priorities, income/wealth ranking and purposive involvement of distinct social groups in problem-solving. They are also useful for analysis of the historical, social and environmental context of livelihoods and they are being increasingly used to understand policy issues. Participatory analysis of policy outcomes using ranking techniques, and participatory analysis of policy-making procedures and institutions (e.g. using flow charts and diagrams), can provide a much needed 'bottom up' perspective to counter the typical 'top down' view of the policy arena.

The SL approach does not invoke new participatory methods, but it does require that existing methods are used to obtain a wide view of assets, options and constraints to the advancement of the poor. This is somewhat different from past uses of participatory methods, when the tendency was to use the techniques to explore rather narrow sectoral initiatives (e.g. food crop production preferences, community management of common resources, sanitation preferences).

It is important to guard against researcher bias. This occurs when the investigator selects individuals, or writes down only those views, that accord with their own preconceptions about how things work.

In an urban development project in Tijuana, Mexico, undue focus on one type of infrastructure (street paving), instead of engagement in a wider participatory planning process, has resulted in a piecemeal approach to urban upgrading.

Box 1. Various participatory methods and their uses

PRA method	Brief description	Particularly useful for
Timelines	Historical profiles of longer-term events or trends	Vulnerability context, policy change
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 capital
Resource maps	Maps identifying natural and other resources	Existence of shared natural 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

Sample surveys are complementary to, and often informed by, participatory methods. To be effective, sample surveys should be preceded by an initial qualitative overview of the community or context in which they are to be carried out. This will enable survey work to be much more precise and effective in verifying existing data. For example, the initial overview can identify the most important social unit of analysis in terms of control over assets. Depending upon the society, this may be a household, partial household, individual, or a larger group (e.g. a cattle camp, kin group or professional group). The initial enquiry should also help to reveal the extent to which concepts of asset ownership are appropriate in a given society, and help identify proxy questions for the sample survey questionnaire.

Sample surveys are particularly useful for generating quantitative data on specific livelihood attributes – notably the distribution of asset and activity profiles in a population and over time. The box below shows the type of information that might usefully be gathered through a survey.

Economic information	Assets	Livelihood strategies	Access to services
<ul style="list-style-type: none"> • production levels • income (cash, in-kind) • consumption levels • cash costs of production • non-cash costs • seasonal prices • seasonal wages for different tasks 	<ul style="list-style-type: none"> • productive assets • quality of shelter • access to infrastructure • access to training and education • household labour availability • nutrition • financial services and conditions 	<ul style="list-style-type: none"> • remittances received • migration patterns • income by source (cash, in-kind) for various household members • access to rural resources for urban dwellers (and vice versa) • seasonal variation in strategies 	<ul style="list-style-type: none"> • service providers • standards of delivery • fees and charges <p><i>Note: There is overlap between these categories. They are used for illustrative purposes only and are not exhaustive.</i></p>

This, in turn would enable those involved in livelihoods analysis to:

- calculate total household income and show seasonal variation;
- divide household income between sources, between subsistence and cash income and between different household members;
- gain a better understanding of household structure and intra-household issues;
- compare different communities and wealth groups for patterns of income sources;
- compare levels of critical assets between different groups; and
- identify the major constraints in accessing services.

However, it is important not to be too ambitious when employing sample surveys. Income data, in particular, can be unreliable and highly influenced by the time of year at which it is collected. It may sometimes be more effective to gather consumption data, as this avoids problems of distinguishing between cash and subsistence income (though consumption patterns also vary through the year).

Guidelines for sample surveys

The following are possible parameters for conducting a sample survey for livelihoods analysis.

Timing

- Identify and become familiar with relevant secondary data, identify the sample frame (the units from which the sample will be selected), devise survey forms and set-up with local researchers (2–3 weeks).
- Pre-test survey forms in the field and train enumerators, if necessary (1–2 weeks).
- Undertake the sample survey, including associated PRA activities (4–6 weeks).
- Enter and check data (2 weeks).
- Analyse data and prepare the report (minimum 6 weeks).

Services can be provided by both the public and the private sector. It may be important to distinguish between the two, but more critical is to assess levels of service available to different groups, regardless of who is providing them.

The total elapsed time, assuming that everything runs smoothly, would be four months. This sequence allows time for repeat visits in order to verify particular points (useful when data appears to be questionable or when certain individuals within a household are absent when the survey is conducted). Additional time is required to undertake full-scale repeat surveys across the calendar year to capture seasonal changes in household activities, etc.

Format

- Surveys should take under an hour to administer (4 sides of A4 of questions is a rough guide).
- Avoid ambiguous questions and focus on quantitative data. Enumerators should be well-trained and effectively supervised.
- A sample size of at least 30 from any single group is often appropriate. (Group selection is based upon the initial qualitative enquiry and the purposes of the survey. A group may be defined by location, resource conditions, tenure conditions, wealth, age, etc.) A possible option is to select three groups for comparison giving a combined minimum sample size of 90.
- As always, it is important to disaggregate populations and ensure that all relevant social dimensions are covered (e.g. men, women, different age or wealth groups, etc.).

Strengths and weaknesses of sample surveys

Advantages of sample surveys include:

- They generate detailed information about a population from a small sample, so minimising costs and resource requirements.
- Standardisation of questions and answers allows for comparisons to be made.
- They help reveal whether sample populations (and, by extrapolation, wider populations) are relatively uniform or highly heterogeneous, thereby improving the design of projects and/or programmes.

Despite these strengths, sample surveys have a bad image. In the past they have commonly represented undesirable practice, being too costly and slow, poorly implemented and purely extractive in nature. Often the data gathered has been removed to foreign countries for analysis and no local capacity has been built. It is important to guard against these hazards when using such surveys for livelihoods analysis. Other weaknesses to be aware of include that:

- Researchers almost always overestimate the data required to find out about different aspects of livelihoods. At the same time they underestimate the time taken to process and derive results from that data. This can result in much unutilised data and great delays between collecting the information and being able to act on the results.
- Many social scientists feel impelled to skip simple data analysis in favour of sophisticated statistical routines. In the process, more obvious livelihood insights can be overlooked and valuable interpretation by non-specialists may be neglected.
- Asking for information about incomes, some assets and intra-household issues can be very sensitive (and sometimes cannot be done at all). Progress can be made by building trust between enumerators and members of the community during any preceding PRA phase and by approaching difficult questions in roundabout ways (for example, asking about consumption rather than income, see also 4.10).

It is better to have a small sample and ensure that this is well-researched, than to have a large sample full of inaccuracies of data collection and analysis. One way to achieve this is to ensure that enumerators are well-trained and that they are appropriately selected with regard to gender, language and ethnicity.

If possible, and this will vary culturally, several household members should be present at the time of interview so that they can debate and verify with each other the data that is being elicited. Triangulation of data collected at different times and from different sources is also important.

Section 7 of the *Guidance Sheets* (in preparation) will present actual case studies showing how particular issues have been addressed. These will be linked to DFID's SL website and learning platform: www.livelihoods.org

Although qualitative research does not generally strive to produce absolute values, qualitative information can sometimes be aggregated to produce quantitative estimates.

This sheet brings together and begins to address some of the concerns and tensions identified by those already involved in livelihoods analysis. Other challenges are likely to arise as livelihoods analysis becomes more common. It is hoped that many of these can be addressed through exchange of information between practitioners, though some may require more deliberate policy-oriented research.

Qualitative vs. quantitative research

Livelihoods analysis makes use of both qualitative and quantitative research.

Qualitative research does not seek to establish absolute values for the things that it investigates; its aim is to build up an accurate interpretation of what is being researched through triangulation of many different descriptive sources. There is a strong overlap between qualitative research and participatory research (see 4.5), although the two are not synonymous. Though its chief strengths are in qualitative information gathering, participatory research can also collect quantitative data, or ordinal data that is susceptible to quantitative analysis. In addition there are many non-participatory techniques that can be used to gather qualitative information (many interview and key informant techniques would fall in this category, as would time/activity studies, which may provide more accurate information than PRA techniques).

Quantitative research seeks to place reasonably firm, absolute levels or values on the things that it investigates. This may be done using simple 'counts' (e.g. of population size, water points, clinics, varieties of rice in use), economic calculations (e.g. of net income from a given source or by household member) or statistical inference techniques (e.g. to infer population characteristics from a sample). However, the chief method of quantitative research remains the sample survey (see 4.6).

There is much debate about the relative importance of these two types of research and how they are best combined. The table below shows strengths and weaknesses of both.

Type of research	Strengths	Weaknesses
Qualitative	<ul style="list-style-type: none"> Provides the initial basis for further quantitative work (may be sufficient on its own) More participatory Can be quick and low cost Good for social processes and context Can explain causes of quantitative findings 	<ul style="list-style-type: none"> More prone to bias because of reliance on interpretation Difficult to infer population characteristics from a small sample Can be very time-consuming
Quantitative	<ul style="list-style-type: none"> Can be more concrete, systematic Can infer population characteristics from a small sample Can test the significance of quantitative findings 	<ul style="list-style-type: none"> Concreteness can mislead Can be very extractive Tendency to collect too much data and to produce over-complex analysis

Effective livelihoods work needs a combination of qualitative and quantitative research methods (and thus a variety of research skills). The precise nature of this combination will vary according to the task in hand, but some pointers to good practice in this area are as follows:

- Reliance either on purely qualitative or on purely quantitative methods and data is not in general a good idea, although there may be instances (small projects based on group working methods) where qualitative methods alone are sufficient.
- A phased approach is likely to apply in many cases, with different methods playing different roles in sequence, as suggested in Sheet 4.2.

- Within this phased approach, moving from the general to the particular, the sample survey would tend to be last data collection method deployed due to its higher cost and longer time-frame.
- As always, it is essential to avoid generating too much information; the information gathering process should be halted as soon as enough is known to proceed with project or policy decision-making.

Extractive vs. empowering methods

Adoption of an SL approach indicates acceptance of the fact that answers are not known, and that learning processes that involve poor people are required. In this context, tension often arises between extractive (extracting information for use by others) and empowering (seeking to empower those who participate) objectives of various field methods. It is becoming clear, however, that the objectives of the two are complementary rather than conflicting.

This section of the *Guidance Sheets* is mainly concerned with finding out about livelihoods in order to inform project design, monitor the effects of development activity and evaluate outcomes. It therefore tends to emphasise more extractive methods. It is not about project implementation, nor about ways to ensure that projects involve and empower intended target groups. However, many projects whose goal and mode of implementation are empowering in character are preceded by quick and effective extractive exercises to discover pre-project conditions and interim project effects. For example, ranking methods used to reveal community priorities for primary healthcare (extractive) can lead to a healthcare delivery project that incorporates participation in establishing the operational guidelines for healthcare workers (empowering).

Working with partners

Livelihoods analysis (and subsequent activities in support of livelihoods) should be conducted with partners (see 1.2, 3.1). Indeed, in many cases the SL approach will be employed in support of partners' existing initiatives.

Partnerships will be facilitated by a shared commitment to poverty reduction and should be based upon basic principles of equality, ownership, and participation. Partners should be fully involved in all stages of livelihoods analysis and subsequent planning. It is also important to make the 'results' of past uses of the SL approach available to partners in a concrete form.

There are many different entry points that can serve to promote a pro-poor agenda with partners (e.g. poverty approaches themselves, decentralisation, rural development, local economic development). Once the entry point has been identified, the SL approach can act as a mechanism to help build the partnership, understand local circumstances and design development activity.

While it is important to facilitate a situation in which all development partners share the same approach, flexibility is key. Partners should be given the space to adapt and change proposed methodologies to fit in with their existing methods and with local skills and conditions. Presentations, consultations, discussion and practical exercises that include senior staff from partner organisations can help to ensure that the SL approach and SL framework are widely available and understood. Through this process, DFID and partners can learn together – both about the nature of livelihoods and about the particular role for DFID support.

Efforts should be made to minimise the disruption to people's lives when conducting livelihoods analysis – though there will be a trade-off here with participation and thoroughness of analysis.

Investigating livelihoods is about working with partners and local people. Partnership with in-country research expertise is central, and learning about the people who are involved or likely to be affected by project and policy decisions is also essential.

It is important to share SL ideas not only with developing country partners, but also with bilateral and multilateral partners.