

## REFERENCE

## GLOSSARY

### Asset Pentagon

The Asset Pentagon is an important component in the SL Framework. It is a visual representation of information about people's livelihood assets. It brings to life important inter-relationships between the various assets.

### Asset Status

This refers to an individual's or group's access to livelihood assets. A change in Asset Status may involve an increase or decrease in access to livelihood assets or a change in the composition of the livelihood assets to which there is access.

### Barriers to Entry

Refers to the obstacles facing potential newcomers to a market. Typical obstacles include: the high level of skills and/or investment required to enter the market, bureaucratic/regulatory obstacles, cultural/social obstacles, action taken by established firms to discourage new-entrants etc.

### Capital

In the sustainable livelihoods framework it is best understood with reference to the following five categories: human capital, natural capital, financial capital, social capital, and physical capital. These are also known as livelihood assets. Outside the sustainable livelihoods framework the term Capital is used in a variety of ways. In economics it is commonly defined as being one of three factors of production, the other two being labour and land.

### Core Principles of Livelihood Analysis

The Core Principles of Livelihoods Analysis are as follows:

- Effort should be devoted to identifying and understanding the livelihood circumstances of **marginalised** and excluded groups.
- Analysis should take into account important **social divides** that make a difference to people's livelihoods. For example, it is often appropriate to consider men, women, different age groups, etc. separately. 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. When conducting analysis it is important to avoid thinking only about need.
- The SL approach embraces the idea of **dynamism**. 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 which method to use under which circumstances. **Flexibility** is key. Equally, it is not necessary to produce one definitive 'map' of livelihoods. Different 'maps' may be appropriately used for different purposes.

The Core Principles of Livelihood Analysis should not be confused with the core principles of the sustainable livelihoods approach which are much broader.

### Core Principles of The Sustainable Livelihoods Approach

These are that poverty-focused development activity should be:

- **People-centred**: sustainable poverty elimination will be achieved only if external support focuses on what matters to people, understands the differences between groups of people and works with them in a way that fits in with their current livelihood strategies, social environment and ability to adapt.
- **Responsive and participatory**: poor people must be key actors in identifying and addressing livelihood priorities. Outsiders need processes that enable them to listen and respond to the poor.
- **Multi-level**: poverty elimination is an enormous challenge that will only be overcome by working at multiple levels, ensuring that local-level activity informs the development of policy and an effective enabling environment, and that higher-level policies and institutions support people to build upon their own strengths.
- **Conducted in partnership**: with both the public and the private sector.
- **Sustainable**: there are four key dimensions to sustainability – economic, institutional, social and environmental sustainability. All are important – a balance must be found between them.
- **Dynamic**: external support must recognise the dynamic nature of livelihood strategies, respond flexibly to changes in people's situation, and develop longer-term commitments.

The Core Principles of the Sustainable Livelihoods Approach should not be confused with the core principles of livelihood analysis which relate more specifically to the activities involved in investigating livelihoods.

### Cross-Sectoral Links

The connections between different sectors, such as agriculture, health, infrastructure, etc, particularly, the way in which livelihoods span these sectors.

### Economic Appraisal/Analysis

Economic analysis is an essential tool in project and programme appraisal. It involves the techniques of cost-benefit analysis which compares the total costs of the project/programme to the total stream of benefits flowing to society. It assesses whether the returns are sufficient to justify investing funds. It may also include financial appraisal which assesses the financial viability of the project/programme from the perspective of specific participants (e.g.

whether the returns for individuals and businesses are sufficient incentive for their participation).

Macro-economic analysis provides insights into the impact of current macro policy on the livelihoods of different groups and the possible effects of proposed policy changes.

### Economic Shocks

see Shocks.

### Economic Sustainability

It is usually associated with the ability to maintain a given level of income and expenditure over time. It can be defined in relation to expenditure by individuals, households, projects, programmes, government departments, countries etc. Maintaining a given level of expenditure, necessarily requires that the income/revenue which supports that expenditure should also be sustainable over time. In the context of the livelihoods of the poor, economic sustainability is achieved if a minimum level of economic welfare can be achieved and sustained. Economic sustainability is one of a number of dimensions of sustainability that also include environmental sustainability, institutional sustainability and social sustainability.

### Empowerment

Occurs where people take greater control over the decisions, assets and Policy, Institutions and Processes that affect their livelihoods.

### Entry Point

An Entry Point refers to the area or activity in which intervention efforts are initially directed. Examples include: capacity building, support to micro-credit, investment in infrastructure, a watershed programme, efforts to change policy etc.

### Environmental Checklists

One of a number of tools that can be useful in SL Analysis. Environmental checklists contain recommended issues and factors to ask about to gain a better understanding of the relationship between the livelihoods of the poor and their environment.

### Environmental Sustainability

Achieved when the productivity of life-supporting natural resources is conserved or enhanced for use by future generations. By productivity we mean its ability to produce a wide range of environmental services, such as the supply of food and water, flood protection, waste management etc. Environmental sustainability is one of a number of dimensions of sustainability that also include, institutional sustainability, economic sustainability and social sustainability.

### External Environment

A very general term that refers to the environment outside a person's immediate influence. Within the SL framework trends, shocks, and

seasonality are part of the External Environment. Many policies, institutions and processes (PIPs) may also be treated as part of the external environment, although people may have more influence over some of these than over trends, shocks and seasonality.

### External Shocks

Shocks emanating from the external environment.

### External Support

Support provided from outside, e.g. government support for a village community, or donor support for a government department etc.

### Extractive

Usually refers to approaches that involve the extraction of information from the proposed beneficiaries of a development intervention – the implication being that 'outsiders' then decide on how best to use that information. Contrasts with more participatory approaches in which the proposed beneficiaries have greater control over what information is important and how it should be used.

### Financial Capital

Financial Capital is a category of livelihood assets. Within the SL framework, it is defined as the financial resources that people use to achieve their livelihood objectives. These resources include:

- **Available stocks:** Savings are the preferred type of financial capital because they do not have liabilities attached and usually do not entail reliance on others. They can be held in several forms: cash, bank deposits or liquid assets such as livestock and jewellery. Financial resources can also be obtained through credit-providing institutions in which case liabilities are attached.
- **Regular inflows of money:** Excluding earned income, the most common types of inflows are pensions, or other transfers from the state, and remittances. In order to make a positive contribution to financial capital these inflows must be reliable – while complete reliability can never be guaranteed there is a difference between a one-off payment and a regular transfer on the basis of which people can plan investments.

It should be noted that this definition is different from a strict economic definition of financial capital as it includes flows as well as stocks. (Economists would look only at stocks).

### Governance

The form and quality of government systems – structure, power, effectiveness, efficiency, rights and representation. Key governance concerns 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?
- Accountability.
- Decentralisation.

### Human Capital

Human Capital is a category of livelihood assets. It represents the skills, knowledge, capacity to work, and good health that together enable people to pursue different livelihood strategies and achieve their livelihood outcomes. At a household level human capital is a factor of the amount and quality of labour available. This varies according to household size, skill levels, education, leadership potential, health status, etc. Human capital is necessary to be able to make use of the other four types of livelihood assets.

### Inflation-Indexed Assets

Assets that hold their value in times of high inflation (e.g. land and housing).

### Institutional

Relating to institutions.

### Institutional Appraisal

The analysis of institutions, particularly institutions that are influential in any given context: their role, degree of influence, how they function and how they inter-relate. This is important for understanding key influences on local livelihoods. It is often done by and with local people – through participatory methods – to establish their perceptions of institutional roles. This can also be called ‘institutional appraisal’ or ‘institutional mapping’.

The term can also apply to analysis of a single institution: its strengths, weaknesses, leadership, internal structures etc, with a view to institutional strengthening.

### Institutional Sustainability

Achieved when institutions, structures and processes have the capacity to continue to perform their functions over the long term. One of a number of dimensions of sustainability that also include economic sustainability, environmental sustainability and social sustainability.

### Institutions

One of the components of Policy, Institutions and Processes (PIPs). The term ‘Institutions’ can be used in a number of different ways.

In the SL framework it covers two important elements:

- (a) organisations or agencies that operate within both the public and private sector; and
- (b) the mechanisms, rules and customs by which people and organisations interact with each other (i.e. the “rules of the game”).

Examples of (a) include: the district department of health; the department of agriculture; the local branch of an NGO; DFID; a religious organisation such as a church or mosque; a workers union; a village committee; an informal organisation based around kinship, such as a clan.

Examples of (b) include: the rules for deciding membership of a village committee; the conditions of membership in a co-operative; the norms which shape local customs, lending, cultural events; the contract between a company and its workers; the laws governing the way companies do business with each other; the codes and rules of an organisation or bureaucracy; the allocation of responsibilities in the policymaking process; the rules for enacting legislation; the mechanisms by which legislation is implemented at national and local levels; the procedures for voting in a new government; the rules governing the financing of a water users association; the mechanisms for facilitating good governance and accountability in the public sector; the chain of command within the government health service; religious ceremonies; marriage rules, laws and customs governing land tenure and rights to access for other assets.

You should be aware that there is some controversy about the definition of institutions. You will come across situations in which organisations, (a), are excluded from the definition, with the definition being restricted to that provided by (b). However, in a number of domains organisations are often referred to as ‘institutions’ (e.g. financial institutions, charitable institutions etc).

### International Development Targets

Refers to a variety of targets agreed by the United Nations at a Special session of the General Assembly in July 2000 – especially the one calling for a halving of the proportion of people living in extreme poverty by 2015.

### Iterative Process

A process involving the continual refinement of goals and objectives as new knowledge and questions generated by investigation and analysis feed back into the investigative cycle. See also Process Approach.

### Key Informants

Individuals who are approached for their views on particular issues, such as those relating to livelihoods. Useful for acquiring information quickly as well as for investigating sensitive issues.

Key informants are chosen for their particular knowledge (e.g. as a teacher, nurse, poor farmer etc). Care should be taken not to interpret their information as representative of a wider sample.

### Livelihood (s)

One could describe a livelihood as a combination of the resources used and the activities undertaken in order to live. The resources might consist of individual skills and abilities (human capital), land, savings and equipment (natural, financial and physical capital, respectively) and formal support groups or informal networks that assist in the activities being undertaken (social capital).

### Livelihood Assets

A key component in the SL framework, they are the assets on which livelihoods are built, and can be divided into five core categories (or types of capital). These are: human capital, natural capital, financial capital, social capital, and physical capital.

People's choice of livelihood strategies, as well as the degree of influence they have over policy, institutions and processes, depends partly upon the nature and mix of the assets they have available to them (see Livelihoods Asset Pentagon). Some combination of them is required by people to achieve positive livelihood outcomes – that is, to improve their quality of life significantly on a sustainable basis.

No single category of assets on its own is sufficient to achieve this, but not all assets may be required in equal measure. It is important to note that a single asset can generate multiple benefits. For example, if someone has secure access to land (natural capital) they may also be able to get better access to financial capital, as they can use the land both for productive uses and as security for a loan.

### Livelihood Components

Refers to the different elements of the SL Framework.

### Livelihood Goals

The objectives pursued by people through their livelihood strategies. Closely related to livelihood outcomes.

### Livelihood Outcomes

Livelihood Outcomes are the achievements – the results – of livelihood strategies. Outcome categories can be examined in relation to the following categories:

- more income
- increased well-being
- reduced vulnerability
- improved food security
- more sustainable use of the natural resource base
- social relations and status

- dignity and (self)respect

The term 'outcome' is used – as opposed to 'objectives' – to focus attention on two key issues. These are:

- **Sustainability:** DFID is concerned with promoting a particular type of livelihood – sustainable livelihoods. Problems can occur because people very often have objectives that lead them to 'unsustainable livelihoods'. The word 'outcome' is used to indicate that DFID is not concerned entirely with people's own objectives but also with the sustainability objective.
- **Orientation to achievement:** The word 'outcomes' helps focus attention on results and the progress that is made towards poverty elimination rather than thinking only about what people are trying to achieve.

### Livelihood Strategies

The term used to denote the range and combination of activities and choices that people make in order to achieve their livelihood goals. Livelihood Strategies include: how people combine their income generating activities; the way in which they use their assets; which assets they chose to invest in; and how they manage to preserve existing assets and income. Strategies may reflect underlying priorities, such as to diversify risk.

Livelihood Strategies are diverse at every level. For example, members of a household may live and work in different places, engaging in various activities, either temporarily or permanently. Individuals themselves may rely on a range of different income-generating activities at the same time, and are likely to be pursuing a variety of goals.

### Livelihoods Analysis

see SL Analysis.

### Livelihoods Asset Pentagon

see Asset Pentagon.

### Livelihoods Review

A Livelihoods Review is an exercise targeted at an existing project or programme with the aim of understanding both how well the project/programme is doing in meeting stated objectives and its impact on the broader livelihoods of various stakeholder groups. The review adopts a sustainable livelihoods approach and can be used in any existing project/programme, even if it was not originally designed using an SL approach. It can help bring a new perspective to the project/programme and provides an opportunity to stand back and explore how the project/programme is affecting the livelihoods of the poor, and to see how positive impacts can be enhanced.

**Logical Framework (log frame)**

A tool that is commonly used to design, manage and evaluate projects and programmes. A Logical Framework (log frame) defines what an intervention will do, what it will deliver, the impact it is expected to achieve, and the contribution of that impact to higher-level objectives (such as poverty elimination). It mentions all the indicators that will be used to monitor progress and outlines how information on indicators will be collected. It also outlines how the external environment is expected to shape project impact.

**Macro Policy**

Macro Policy is policy which affects the whole country. It is concerned with monetary, fiscal, trade and exchange rate conditions as well as with economic growth, inflation and national employment levels. It is distinct from micro policy which only affects particular sectors, districts, neighbourhoods or groups.

**Micro Policy**

Micro Policy is policy which only affects particular sectors, districts, communities, villages, neighbourhoods or groups. It is distinct from macro policy which affects the whole country.

You will sometimes find reference to 'meso' level policy which overlaps somewhat with definitions of micro policy. Meso is the level between micro and macro, or between service delivery and policy-making, and is the level that often is needed to link the two. In government terms it could be District, Provincial or Regional authorities and services. Local councils and regional authorities would be included here. Other organisations, such as federated, regional farmers' associations are also at the meso level. It can be difficult to define the cut-off point between micro and meso, and perhaps for this reason meso can get ignored (the 'missing middle' of policies, institutions and processes').

**Natural Capital**

Natural Capital is a category of livelihood assets. It is the term used for the natural resource stocks (e.g. trees, land, clean air, coastal resources) upon which people rely. The benefits of these stocks are both direct and indirect. For example, land and trees provide direct benefits by contributing to income and people's sense of well-being. The indirect benefits that they provide include nutrient cycling and protection from erosion and storms.

**Natural Shocks**

see Shocks.

**Objectively Verifiable Indicators**

Refers to measurable indicators that will demonstrate whether or not objectives specified in the Logical Framework have been met. Used in monitoring and evaluation.

**Outputs**

Typically used in relation to the Outputs of a project or programme and linked to measurable indicators of project/programme impact, such as agricultural yields, number of visits by health workers, area of land brought under irrigation, number of teachers trained, legislation revised, trade agreements implemented etc. Outputs are an important element in the Logical Framework.

**Participation**

Occurs when decision making and development activities are participatory.

**Participatory**

The quality of an approach to development and/or government in which the underlying principle is that the key stakeholders (and especially the proposed beneficiaries) of a policy or intervention are closely involved in the process of identifying problems and priorities and have considerable control over the related activities of analysis, planning and the implementation of solutions. To facilitate this approach there are a variety of participatory methods or techniques that can be used.

**Participatory Activities**

see participatory.

**Participatory Development**

see participatory.

**Participatory Methods**

These are methods that are used to encourage people's participation in the processes of identifying/analysing livelihood opportunities and problems, setting priorities and planning, implementing solutions, and monitoring and evaluating changes and impacts. They are very important for understanding livelihoods and are designed so as to promote learning and empower people in their dealings with external agencies and institutions.

There are several visualisation tools for group discussions which enable a large number of people, including illiterate people, to contribute views and see the results. These include timelines, seasonal calendars, transect walks, resource maps, preference ranking, matrix ranking, wealth ranking, and venn diagrams. These are often called 'rapid appraisal' or 'participatory rural appraisal'. Depending on how they are used, they may only promote participation in information gathering (if the information is used by outsiders), or they may be used as tools for participatory decision-making. Both uses have a role. Either way, the methods can be used within an SL approach to investigate a wide range of factors in a relatively open-ended way, such as:

- income and wealth distribution within a community or neighbourhood;

- the historical, social and environmental context of livelihoods;
- trends, forces of change, influence of policies;
- pros and cons of different livelihood strategies, reasons behind people's choices, what they wish to see being done by local authorities, etc.

### Participatory Poverty Assessments

Used to understand poverty from the perspective local people. PPAs make flexible use of a wide range of participatory methods.

### Participatory Principles

see participatory.

### Partners

see Partnerships.

### Partnerships

Refers, in the SL Approach, to Partnerships in the development process. The SL approach stresses the importance of partnerships at all levels including:

- Partnerships with poor people;
- Partnerships with both public sector and private sector implementing agencies and stakeholders in developing countries – the SL approach explicitly recognises the important role that the private sector plays in development;
- Partnerships between different departments within DFID;
- Partnerships with other donors;
- Partnerships with research organisations.

It is hoped that the dialogue around the development and implementation of the SL approach will provide the basis for deeper and more meaningful development partnerships. Such partnerships will only be possible if care is taken to ensure that the approach builds on the accumulated experience of all partners and is not imposed on any partner.

### People-centred approach

An approach that involves a focus on people, i.e.

- what matters to people;
- what distinguishes one group of people from another group;
- working with people in a way that fits in with their current livelihood strategies, social environment and ability to adapt.

One of the core principles of the sustainable livelihoods approach is that it should be people-centred.

### Physical Capital

Physical Capital is a category of livelihood assets. It comprises the basic infrastructure and physical goods that support livelihoods. Infrastructure consists of changes to the physical environment that

help people to meet their basic needs and to be more productive.

Key components of infrastructure include: affordable transport systems, water supply and sanitation (of adequate quantity and quality), energy (that is both clean and affordable), good communications and access to information. Shelter (of adequate quality and durability) is considered by some to be infrastructure, while others would consider it to be a private physical asset and somewhat different from infrastructure.

Other components of physical capital include productive capital that enhances income (e.g. bicycles, rickshaws, sewing machines, agricultural equipment), household goods and utensils and personal consumption items such as radios and refrigerators. Most of these are owned by individuals or groups. Some, such as larger agricultural equipment or processing units, can be accessed through rental or by paying a fee for the services used.

### Policy

One of the components of Policy, Institutions and Processes (PIPs), Policy can be thought of as a course or principle of action designed to achieve particular goals or targets. These tend to be broader and less specific than those of the programmes and projects used to implement Policy. The idea of policy is usually associated with government bodies, but other types of organisation also make policies – for example a local NGO's policy about who is eligible for its programmes.

Policy can be divided into macro policy – affecting the whole country – or micro policy – affecting particular sectors, districts, neighbourhoods or groups. Also meso policy. It can also be strategic – designed to create a long-term framework for action – or quite short-term and temporary.

### Policy, Institutions and Processes (PIPs)

A key component in the Sustainable Livelihoods Framework combines Policies, Institutions and Processes (PIPs) because the three are closely inter-related contextual factors that have a great effect on all aspects of livelihoods.

The PIPs dimension of the SL framework comprises the social and institutional context within which individuals and families construct and adapt their livelihoods. As such it embraces quite a complex range of issues associated with power, authority, governance, laws, policies, public service delivery, social relations – gender, caste, ethnicity –, institutions – laws, markets, land tenure arrangements – and organisations – NGOs, government agencies, private sector.

This component was referred to as 'transforming structures and processes' in earlier versions of the framework, and may be titled differently by others. This emphasised, in addition to the desirability of institutional and organisation change, the need for development agencies to transform the institutional context of livelihoods.

The common theme is that it relates to the bigger picture and the complex array of political and institutional factors affecting livelihoods. It is different from the vulnerability context because policies, institutions and processes are not 'given' but are continually shaped by people – although the direct influence exerted by the poor is often limited. They effectively determine:

- access (to various types of capital, to livelihood strategies and to decision-making bodies and sources of influence);
- the returns to different types of capital, and to any given livelihood strategy.

### Process Approach

An approach to interventions in which broad objectives for change may be identified and agreed but the exact means by which these objectives will be achieved may, at the outset, be unknown and unknowable. Such interventions are approached in an exploratory mode. Implementation takes place in successive, defined, iterative stages with future activities being planned in the light of results gained as implementation proceeds.

### Processes

One of the components of Policy, Institutions and Processes (PIPs). 'Processes' attempts to capture the dynamic element of policies and institutions and avoid a 'snapshot' approach. It refers to how things are done rather than what is done. It also refers to the ways policies and institutions change and/or interact with broader processes of change. Change may happen as a result of policies or due to other factors such as:

- the nature of authority and decision-making structures;
- the form and quality of government systems (governance);
- the extent and nature of public participation in policy and other processes;
- the effect of this participation;
- other factors behind change (for example, external shocks that form part of the vulnerability context).

### Programme

A programme is a set of activities designed to achieve a specific purpose. The term may describe a mix of projects, training and capacity building, budgetary support and policy dialogue. A programme may focus on a region – such as southern Africa –, a country, or an area within a country. It may be multi-sectoral or focus on a single sector.

### Project

A project is a discrete funding package, comprising an activity or set of activities that can contribute to – but not necessarily achieve on its own – a particular development objective.

### Project Scope

The range of activities and issues addressed by a project.

### Remittances

Money that is sent home by family/household members living and working away from home.

### Sample Surveys

This is a tool for investigating the characteristics of a particular population – the population may be one of households, individuals, farms, villages, animals or any other unit of study. To facilitate the investigation a sample of the population is surveyed and studied. Usually, though not always, the sample is selected at random to increase the chances of it being representative of the whole population.

### Seasonality

Seasonality is a key element in the vulnerability context. It refers to seasonal changes, such as those affecting: assets, activities, prices, production, health, employment opportunities etc. Vulnerability arising from seasonality is often due to seasonal changes in the value and productivity of natural capital and human capital (through sickness, hunger etc). The poor are often more vulnerable to these changes than wealthier groups.

### Sector Programmes

Programmes that focus on specific sectors such as health, education, agriculture, infrastructure, transport etc. Sector programming is an increasingly popular approach with donors, as a way to help partner governments with their work across a sector, rather than in specific projects. Donors' sector programmes usually include budgetary support for on-going government activities.

### Sectoral

Relating to specific sectors such as health, education, agriculture, infrastructure, transport etc.

### Sector-Wide Approaches

The prioritisation of sector programming as a key intervention used by international development agencies.

### Shocks

Shocks are a key element in the vulnerability context. They are usually sudden events that have a significant impact – usually negative – on livelihoods. They are irregular and vary in intensity and include events such as natural disasters, civil conflict, losing one's job, a collapse in crop prices for farmers etc. They can be classified into the following categories:

- Human shocks (e.g. illness, accidents);
- Natural shocks (e.g. floods, earthquakes);

- Economic shocks (e.g. job losses, sudden price changes);
- Conflict (e.g. war, violent disputes);
- Crop/livestock health shocks.

Shocks and trends may be linked. For example some changes that appear as trends at a national or even regional level (such as increased infection rate for diseases such as AIDS and malaria) can impact upon a household or individual as severe shocks (i.e. death in the family).

### SL Analysis

The analysis of livelihoods using the core principles of livelihood analysis.

### SL Approach

See Sustainable Livelihoods Approach.

### SL Framework

see Sustainable Livelihoods Framework.

### Social Analysis/Appraisal

Investigation of social structures and relations. In the SL Approach it is used to provide information on the relevant characteristics of poverty, vulnerability and social exclusion. It can help to understand:

- the social positioning of individuals or families (distinguished by kinship, age, gender, ethnicity, religion, caste, etc.);
- which social characteristics (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;
- non-market, social institutions such as customary tenure, common property;
- the way policy, institutions and processes affect different social groups.

### Social Capital

Social Capital is a category of livelihood assets. It relates to the formal and informal social relationships (or social resources) from which various opportunities and benefits can be drawn by people in their pursuit of livelihoods. These social resources are developed through investment in:

- interactions (through work or shared interests) that increase people's ability to work together;

- membership of more formal groups in which relationships are governed by accepted rules and norms;
- relationships of trust that facilitate co-operation, reduce transactions costs and sometimes help in the development of informal safety nets amongst the poor.

Critical benefits of social capital are access to information, to influence or power, and to claims or obligation for support from others.

### Social Resources

see Social Capital.

### Social Sustainability

An initiative is socially sustainable if it rests on a particular set of social relations and institutions, which can be maintained or adapted over time. One of a number of dimensions of sustainability that also include economic sustainability, institutional sustainability and environmental sustainability.

### Stakeholder Analysis

Stakeholder analysis involves

- a) identifying key stakeholders in relation to any initiative: i.e. groups who have a similar interest (or 'stake'), and which differs in some way from others' interest
- b) analysing the perspective of the key stakeholder groups: their role, views, needs, etc. and their relationship with other stakeholder groups.

Stakeholder analysis can help to reveal, for example:

- the capacities of different stakeholders to participate in (and benefit from) development activity as well as 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.

### Stakeholders

People who are affected in some way or another by an activity. Can be divided into primary stakeholders and secondary stakeholders:

- Primary stakeholders are those who are directly affected by an activity, as beneficiaries, losers or implementing agencies or those with a direct influence the activity. N.B. to be a primary

stakeholder you do not have to benefit from an activity, you simply have to be closely involved with it. So, for example, in an urban slum renewal project, primary stakeholders might include slum dwellers, slum landlords and partner implementing agencies, though it is only the slum dwellers who will actually benefit from the project. It is usually necessary to sub-divide primary stakeholders into several smaller stakeholder groups.

- Secondary stakeholders are indirectly affected by an activity. For example, traders may benefit from a new road that is built to connect a remote community to the capital city or from the increased productivity that results from a technology project.

See also Stakeholder Analysis.

### Structured Checklists

A list of questions that an interviewer will seek answers to in the course of an interview. Interviews involving structured checklists tend to be less formal and more open-ended than those conducted by an enumerator using a questionnaire.

### Sustainable / Sustainability

Something is sustainable when it can continue into the future, coping with and recovering from stresses and shocks, while not undermining the resources on which it draws for existence. These resources may be natural, social, economic or institutional, which is why sustainability is often analysed in four dimensions: economic sustainability, environmental sustainability, institutional sustainability and social sustainability. Sustainability does not imply that there is no change, but that there is an ability to adapt over time. Sustainability is one of the core principles of the sustainable livelihoods approach.

### Sustainable Livelihoods

A livelihood is sustainable when it is capable of continuously maintaining or enhancing the current standard of living without undermining the natural resource base. For this to happen it should be able to overcome and recover from stresses and shocks (e.g. natural disasters or economic upsets).

### Sustainable Livelihoods Approach

An approach to development in which people's livelihoods are the focus of attention and which adopts the core principles of the sustainable livelihoods approach.

### Sustainable Livelihoods Framework

DFID's sustainable livelihoods (SL) framework is its version of a visualisation tool that has been developed to help understand livelihoods. It is intended to help users think through the different aspects of livelihoods, and particularly those factors that cause problems or create opportunities. Other organisations have developed similar SL frameworks that compliment DFID's.

The SL framework can be divided into five key components: the Vulnerability Context, Livelihood Assets, Policy, Institutions and Processes, Livelihood Strategies and Livelihood Outcomes.

The SL framework gives an impression of how these factors relate to each other. Indeed the links between them (arrows in the framework) are also critical, reflecting how people convert assets to activities, or how policies, institutions and process affect the key components.

The framework aims to stimulate debate and reflection, which should result in more effective poverty reduction. The framework does not attempt to provide an exact representation of reality. It is a simplification and it should be adapted for use in any given circumstance. Real livelihoods are complex and varied, and can only be properly understood through direct experience.

### Sustainable Livelihoods Guidance Sheets

The more detailed guide to DFID's Sustainable Livelihoods approach on which these distance learning materials are based.

### Transactions Costs

The costs associated with making, monitoring and enforcing agreements/transactions/contracts etc. The agreements may be formal or informal and transaction costs may be incurred before and after an agreement is made. A large proportion of the costs are associated with acquiring information about the nature of an agreement (e.g. the quality of goods or services being transacted) and the reliability of other parties to the agreement. Transaction costs are incurred gaining information or commitments in order to reduce risks of loss in a transaction.

### Trends

Trends are a key element in the vulnerability context. They can have either a positive or a negative effect on livelihoods and involve changes that take place over a longer period of time than is the case with changes brought about by shocks or seasonality. Examples of trends include the following:

- Population trends (e.g. increasing population pressure);
- Resource trends (e.g. soil erosion, deforestation);
- Economic trends (e.g. declining commodity prices, development of new markets);
- Trends in governance/politics (e.g. increasing accountability);
- Technological trends (e.g. the development of more efficient production techniques).

### Triangulation

Seeking confirmation or better understanding of a subject or question by getting information from a variety of independent sources (e.g. soliciting the views and opinions of a diverse range of individuals, or using different methods to gain information on the same topic).

**Venn Diagrams**

Diagrams of circular (often overlapping) areas used to represent relationships. They are a useful means of showing the links between different types of groups, in a clear, graphic format. They can also be used to summarise the roles that different groups play and what people's expectations are about how these groups will function. One of a number of different participatory methods.

**Vulnerability**

see Vulnerability Context.

**Vulnerability Context**

A key component in the SL framework, the Vulnerability Context refers to the shocks, trends and seasonality that affect people's livelihoods – often, but not always, negatively. The key feature of all the factors within the Vulnerability Context is that they are not controllable by local people in the immediate or medium-term. Vulnerability or livelihood insecurity resulting from these factors is a constant reality for many poor people.

**White Paper**

A report produced by the British Government setting out its proposals for, and providing information on, a particular policy issue, such as international development. The goals and directions of the British Government's policy on international development are laid down in the 1997 White Paper on International Development. This is now built upon in the 2000 White Paper II.