Household livelihood security in urban settlements

December 1999 (1)

HLS points to the components that affect livelihoods. Starting with vulnerable households, it describes how household members access resources, who controls them, and importantly how assets are used to reduce the impact of shocks.

HLS therefore provides a 'routemap' for developing interventions, recognising the factors that perpetuate poverty in urban settlements, from household level assets building to authority level urban management.

Photo: David Sanderson

Rubbish sifting, Delhi

'A livelihood comprises the capabilities, assets (both natural and social) and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, both now and in the future, while not undermining the natural resource base' (Chambers and Conway, 1992).

CARE International's Household Livelihood Security (HLS) approach can be described as *'adequate and sustainable access to income and other resources to enable households to meet basic needs and to build up assets to withstand and recover from shocks and stresses'*. In this definition:

- Households refer to those 'sharing the same pot'. They may be members of the same family or unrelated individuals sharing a common activity, eg street children or migrant workers
- Basic needs are those required to 'secure the physical development of the individual'. Basic needs include food, health, water, shelter, education and participation in community life
- Resources include food, water, shelter, education, health services and social and cultural life, ie what is required to meet basic needs
- Access is the process by which households secure resources to meet their needs. Most access to resources in urban areas is through cash, eg buying water from vendors.

Characteristics of HLS

- **Begins with people**. The starting point for HLS is vulnerable households. HLS seeks to understand needs and how they are met in order to improve livelihoods. In identifying the household as the unit of interaction, HLS recognises equally the role of children, women and men in society
- **Holistic**. HLS presents a way of mapping out the factors that affect livelihoods. It does not predetermine any particular needs, resources or assets. Rather priorities are determined by households through participatory analysis
- **Links disasters with development**. Implicit in HLS is how households use assets to mitigate and prepare for the effects of shocks (disasters) and stresses
- **Points to micro and macro interventions.** HLS points to a range of possible interventions to improve livelihoods, from policy level advocacy (recognising the political dimension of many urban interventions) to household level assistance in assets management.

Key components of HLS

CARE applies essentially the same HLS understanding to both rural and urban contexts. *The critical differences* are described through the same elements (eg. access, controls, assets, context). The following diagram illustrates the three main components of HLS, which are:

1. **The context**, ie the environment in which households exist. Context includes the availability of resources, the political and economic environment, and the threat of disaster
2. **Households which implement livelihood strategies**. Key to a livelihoods understanding is that households undertake a range of activities which lead to the building up of assets. Assets may be financial, physical, human, social and natural (assets are described on page 4)
3. **Outcomes from strategies**. Good livelihood strategies lead to more secure households. These include better health, nutrition, water, shelter, education, etc.
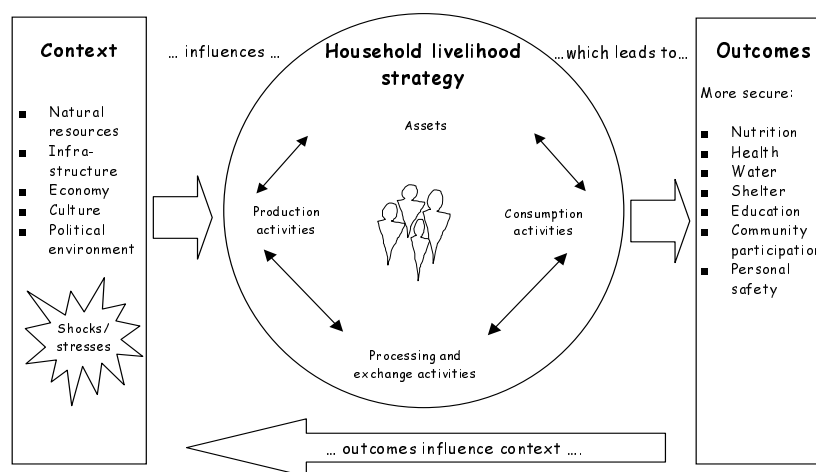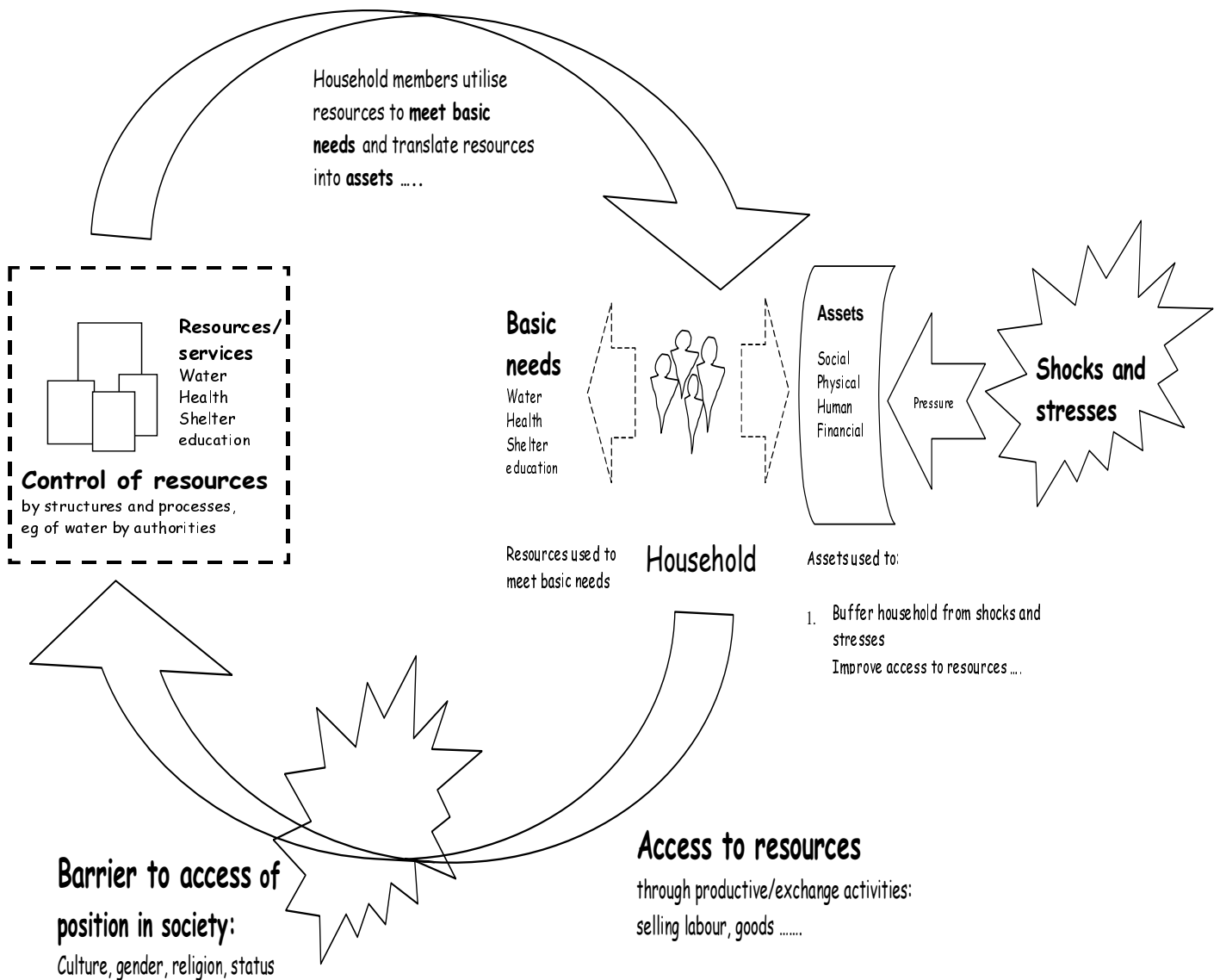

Livelihood components (from Drinkwater and Rusinow, 1999)

Urban livelihoods

In urban settlements livelihood strategies can be complicated and confusing. Contexts are changing and uncertain, with accelerating urban growth, increasing crime, an ill-equipped public sector, and intense competition for limited resources. Household members employ complex and varied strategies, often living on credit, surviving and competing in markets, undertaking seasonal work and earning incomes in the informal economy. Livelihood strategy outcomes often do not meet even the most basic of households needs, increasing the vulnerability of those already marginalised. As Hugh Stretton stated over twenty years ago:

> *'The life of a modern city is very complicated. The citizens have intricate patterns of common and conflicting interests and tastes and beliefs, and individually and collectively they have very unequal capacities to get what they want for themselves or from one another. From that tangle of powers and purposes comes a social life so complicated and partly unpredictable that any understanding of it has to be incomplete (Stretton, 1978).'*

The following diagram seeks to illustrate how households strive for livelihood security. It indicates how households access resources and what gets in their way; how resources are used to build up assets; and how those assets 'buffer' households against disasters and shocks. Outcomes are described in terms of building assets and meeting of basic needs. The context comprises controls of resources by different interest groups and the effects of shocks and stresses on households. Strategies include accessing resources mainly through income earning activities.

Household members utilise resources to **meet basic needs** and translate resources into **assets** …..

Resources/ services
Water
Health
Shelter
education

Control of resources
by structures and processes, eg of water by authorities

Basic needs
Water
Health
Shelter
education

Assets
Social
Physical
Human
Financial

Pressure

Shocks and stresses

Resources used to meet basic needs

Household

Assets used to:

1. Buffer household from shocks and stresses
Improve access to resources ….

Barrier to access of position in society:
Culture, gender, religion, status

Access to resources
through productive/exchange activities:
selling labour, goods …….

The sequence followed by the diagram, beginning at the household, is as follows:

1. Household members have basic needs: water, shelter, education, etc
2. To meet needs household members access resources or services, eg water, food, shelter, healthcare, electricity. Most access is gained through payment. Payment is secured by undertaking productive activities, eg selling labour to gain income to pay for resources needed
3. There are barriers to accessing resources/services which for the poor usually prevent or reduce the quality and quantity of resources accessible. Two barriers (of which there may be many) are:

   - Position in society, eg culture, gender, religion, status, being poor
   - Control of resources by *structures*, eg government, private sector employers, and *processes*, eg laws, regulations. Regulations may discriminate in particular against the poor

4. Depending on the degree of success of overcoming barriers, resources/services secured by household members are used:

   - To meet immediate basic needs
   - To build up assets (social, physical, financial and human) over time

5. Assets are used:

   - To buffer households against stresses and shocks, eg sickness, fires, sudden unemployment
   - To increase the ability to improve access to resources, eg improved education (human assets) may lead to better paid jobs.

Some significant features of urban environments

1. Complex controls of resources

According to Carney (1998), resources (electricity, water, healthcare, land, etc) are controlled by *structures*, eg Municipalities, private utilities. The tools they use for control, eg policies, laws, regulations, 'rules of the game', are known as *processes*. Access to resources may depend on cash payment and is affected by position in society, eg squatters on unregulated land find securing municipal services difficult, whilst 'home owners' do not.

Cities are notable for the often complex and contradictory layering of both structures and processes, eg within any given city there may be many Municipalities, a city authority and several housing and infrastructure agencies. Co-ordination amongst these different groups may often be weak or non-existent. At the heart of most resource access issues is **land ownership** (tenure). Land touches on access to work (squatters will endure terrible conditions to be close to sources of income) and is a key asset to secure, since ownership brings for most greatly enhanced security. A further complication relates to degrees of ownership: a neighbourhood may say it owns it houses because it has electricity and has been resident for forty years, whilst the Municipality master plan has the neighbourhood marked as a park. Land issues are therefore politically charged, and arguably are the greatest problem relating to urban poverty.

3. Access to resources through work (selling labour)

Unlike rural areas, where the primary activity may be farming to consume produce, most productive time in cities is devoted to acquiring money to purchase resources. Key to this for many urban poor is through the selling of labour, ie working. Most of the urban poor are forced to work in the informal sector, earning low incomes for long hours of work. Competition for work is intense, making incomes usually very low. The informal economy allows for a diversity of ways for earning income to acquire resources. However those resources can come at a high price: research in Lusaka, Zambia, found water purchased by low income groups to be nearly ten times more expensive than a subsequently installed water supply system (Osborne, 1998).

Furthermore, work and city living for many urban poor is seasonal. Large numbers of the urban poor may be migrant, using cities as means for extra income following seasonal lows in rural living. For example during the Monsoon in Bangladesh, the numbers of bicycle rickshaw pullers changes dramatically in cities as workers alternate between rural farming and urban income generation to subsidise living.

3. Frequent disasters (shocks)

It is almost always the most poor, ie *those with insufficient assets to withstand shocks*, who are the most vulnerable. Shocks may be rapid onset natural disaster, eg earthquake, fire, cyclone; man-made, eg industrial accident; or as the result of war or ongoing rivalries. They may also be economic, eg high inflation that erodes savings and increases prices.

- The effect of fast impact disasters, eg earthquake, flood can be devastating in urban areas where slums are densely packed and poorly built
- Small and frequent fires, especially in poorly constructed squatter settlements built of flammable materials, or in markets, can destroy physical assets and ruin means of securing incomes
- A consequence of urbanisation is that of industrial plants, originally planned and built on the edges of towns, but which are now surrounded by low income housing and informal settlements. Industrial plants in urban areas can cause damaging environmental and health problems, eg through sulphur emissions, polluted water, poor air.

4. Prioritising assets

Whilst the list of assets may be the same for both rural and urban, there are differences in priority:

- **Financial**: most resource access in cities results from cash. For the urban poor, as with other city dwellers, the building of financial assets is almost always a key activity for greater liveli-

hood security. Most of the urban poor's financial activities happen within the informal sector. Financial assets are often fragile; many urban poor live by arranging complex systems of loans and debt servicing, borrowing small amounts and calling in debts from others to pay bills as they arise

- **Human**: cities provide a wider variety of opportunities for earning incomes than rural areas. The benefits of different household members entering into a range of activities based on skills, knowledge and ability increases the chances of sustaining a household. However some long term activities may serve to increase vulnerability, threatening household sustainability: young children working in factories may miss out on an adequate education - and childhood - and suffer damaged health.
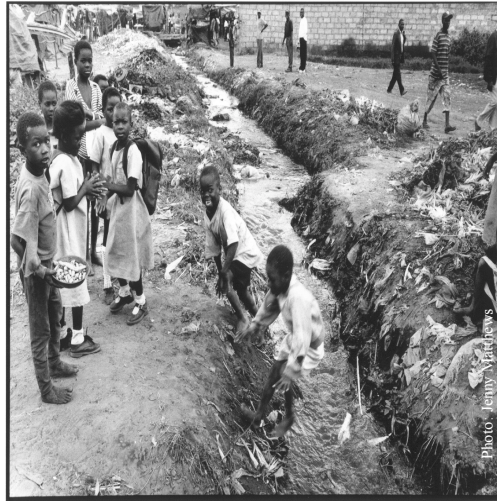
Zambian children, Lusaka

- **Physical**: proximity to work opportunities is one of the major concerns for low income groups, and is a key reason for the location of many squatter settlements near city centres (when allowed to stay). For many access to work determines the location of shelter, leading poor households to either squat on dangerous land or live in poor quality accommodation, eg sub-divided tenements with poor services. *Secure tenure is usually the key asset to be built up*, with shelters consolidated and improved once a measure of security is established
- **Social**: low income urban settlements are often characterised as having limited social assets, ie lack of extended family structure, established networks of contacts or strong relationships of trust. However for many newly urbanising

groups, which rely on mutual help and support, social assets can be strong. However as groups become established, reliance may become less as neighbours and families move in and out of neighbourhoods.

5. Rapid change and increased vulnerability

Cities are marked by rapid change: growth in housing stock, shifting populations, economic changes in neighbourhoods (improving or declining), growth and regularisation of settlements, etc. Low income inhabitants of rapidly growing cities are defined by their class, culture, religion, as well as by age or gender. Newly arriving whole communities or households from the same region may settle in one area. Communities known to come from unpopular areas, from a minority religion, or from an 'outcast' class may find their access to employment/income more difficult than others. It is in this scenario of the 'permanence of change' that urban dwellers are often called upon to adapt, change and diversify survival strategies. Within the city some groups are especially vulnerable due to their 'position in society'. These include:

- **Children.** An increasing number of children reside in cities as street children. They may have been abandoned or choose to live on streets as a lesser evil. It is estimated approximately 100,000 street children reside in Delhi alone (Heissler, 1998). Increasingly also children may be pulled into working in factories in poor working conditions which may in the long term substantially reduce quality of life, eg poor health
- **Women.** Research indicates that women are more severely affected than men by poor and over crowded housing: women usually look after the children, stay at home during the day, care for sick family members and manage the household
- **Youth**. There are more teenagers and those in their early twenties in cities than ever before, with little or no opportunities for formal employment and limited access to good education. This is especially a problem in Africa, a consequence of demographic change caused by population growth.

Crime and violence is a growing urban phenomenon. In 1995 it was estimated that one in three residents in African and South American cities had been victims of violent personal crime (Burgess, 1999). A key reason cited was the visible extremes between rich and poor.

Barriers to achieving a sustainable livelihood

A livelihood is sustainable when it 'can cope with and recover from stresses and shocks, maintain its capability and assets, and provide sustainable livelihood opportunities for the next generation' (Chambers and Conway, 1992). **HLS therefore is a goal** to which development interventions contribute. Barriers however to achieving security are wide ranging. These include:

- **Access**: the inability to engage in adequate productive activities, eg through illness wage earning household members cannot work, or intense competition reduces incomes
- **Barriers to access** due to position in society, eg being a woman prevents getting work that pays an adequate wage, or belonging to a low caste in India prevents getting a better job
- **Control of resources** by others preventing access, eg private landlords increase rents which uses up some of the income that would have been used to pay for food; electricity authority regulations prevent a community from gaining an electrical connection
- **Inadequate resources**, eg water supply is available for only two hours a day due to a poor water delivery system, or roads within a low income settlement are not maintained
- **Structures and processes** that increase community vulnerability, eg government regulations prevent an adequate water supply to a squatter community dwelling on illegal land
- **Resources availability** is limited or low due to poor governmental management, weak policies, war, or debt. This results in many different manifestations, from a lack of a fire service to there being no health care facilities
- **Poor use of resources** at household level, eg incremental building of poor quality shelters that eventually collapse, or contaminating drinking water through poor hygiene
- **Shocks (disasters)**, eg a fire or earthquake destroying or damaging a neighbourhood
- **Stresses**, eroding assets and increasing household vulnerability, eg long term sickness within a family increasing pressures on other family members, overcrowding in a small dwelling, alcoholism, or cost increases diminishing purchasing power and destroying savings
- **Inadequate assets to increase future access**, eg a breadwinner with poor health and nutritional status is more likely to be ill for longer; or the lack of income to send children to school reduces the subsequent generation's chances to gain better access to resources through finding a better paid job.
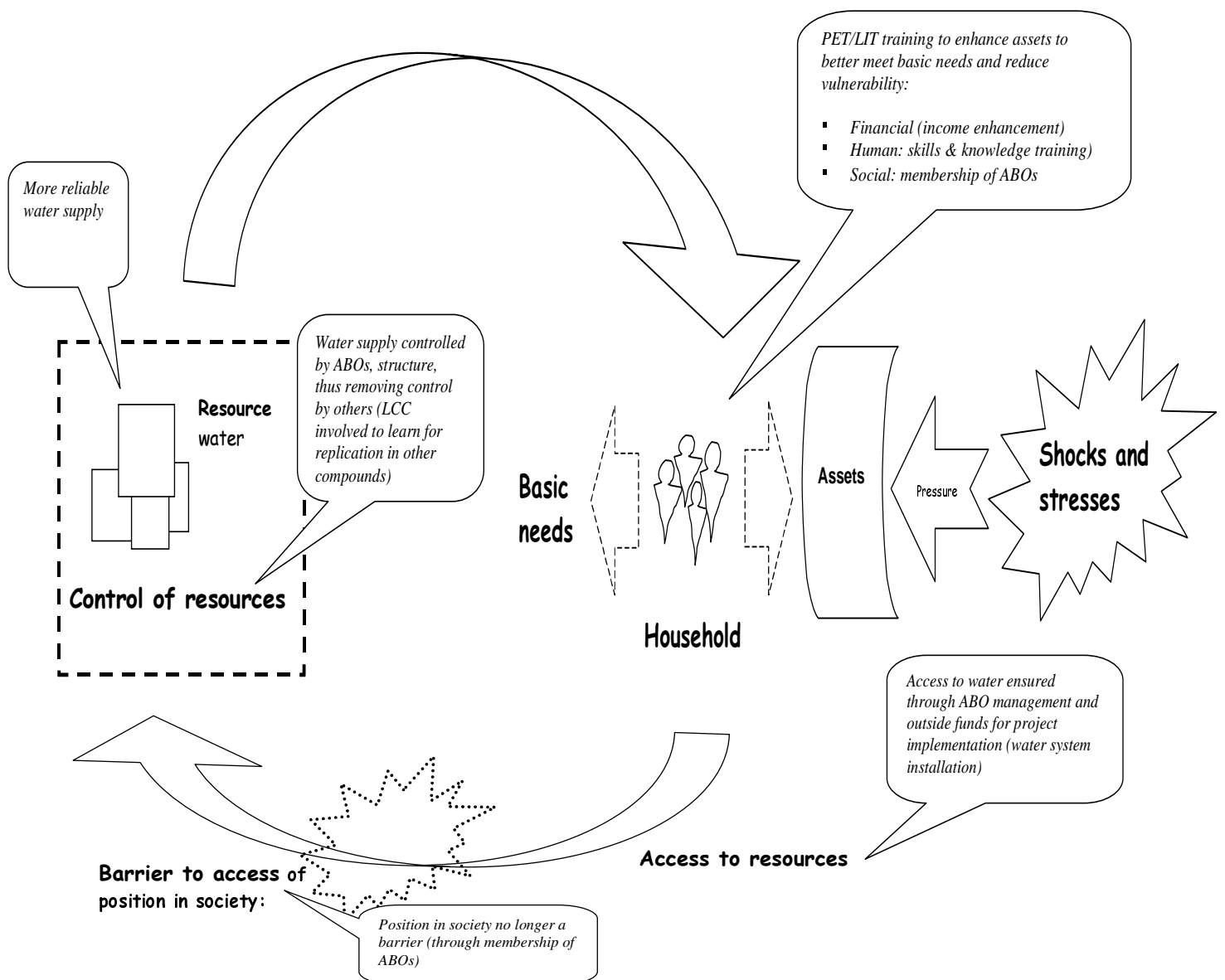
Case study: urban livelihood enhancement, Lusaka, Zambia

The following case study describes CARE's urban activities in Zambia from an HLS perspective. CARE has been working in several compounds (low income urban settlements) in urban areas of Zambia since the early 1990s. **CARE's Peri-Urban Self Help project (PUSH)** began in 1992 in four compounds in the capital city Lusaka and in Livingstone as a food-for-work project, implementing infrastructure improvement and education initiatives.

PUSH II began in 1994 following on from PUSH as a shift towards livelihoods through focusing on household level training, savings and credit programmes, as well as institution building. During PUSH II an assessment of community needs identified water provision as the major need. Lusaka City Council and residents of Chipata compound, the location for the project, subsequently planned and installed a new water supply system. Importantly the approach to the project was that residents would manage the operation of the water supply through the development of *community structures*.

The success of PUSH II has led to a five year project, **PROSPECT (Programme of Support for Poverty Elimination and Community Transformation),** which began in 1998. Funded by the British Government's Department for International Development (DFID) and working in 14 compounds (13 in Lusaka, 1 in Livingstone), the purpose of the programme is 'through area based organisations (ABOs) to develop, manage and maintain basic infrastructure and services which take into account the needs of the poorest and most vulnerable'. PROSPECT comprises :

- Social empowerment, facilitating the establishment of ABOs
- Infrastructure and service provision, of which water is likely to be the principal focus
- Personal empowerment, providing training in life and business skills and the establishment of savings and loans.

More reliable water supply

Resource
water

Water supply controlled by ABOs, structure, thus removing control by others (LCC involved to learn for replication in other compounds)

Control of resources

PET/LIT training to enhance assets to better meet basic needs and reduce vulnerability:

- *Financial (income enhancement)*
- *Human: skills & knowledge training*
- *Social: membership of ABOs*

Basic needs

Household

Assets

Pressure

Shocks and stresses

Access to water ensured through ABO management and outside funds for project implementation (water system installation)

Access to resources

Barrier to access of position in society:

Position in society no longer a barrier (through membership of ABOs)

The above diagram summarises the key interventions the project is undertaking to improve household livelihood security. Several activities are underway, ranging from household level assets management to Municipal level addressing of structures and processes. Key points are as follows:

Infrastructure development as the vehicle to promoting livelihoods. Whilst the project concerns developing infrastructure for each compound, and will in time provide improved water delivery, it is the *process* of infrastructure development and its subsequent management, combined with training and access to income-generating activities, that will also improve livelihoods.

Bypassing barriers to access resources. The current water supply system is unmanaged and not maintained. To these ends the project is creating community owned structures and processes (ie the ABO structure and its regulations) to develop and manage its own piped water supply. The project therefore seeks to counter the control of resources by the authorities (which have failed in providing a piped water supply) by creating its own self managed system. At the same time however the **authorities are partners in the project.** In this way therefore the project is seeking to improve existing structures and processes by demonstration of an activity reliant on utilising community capacity. The formation of ABOs also addresses the barrier of **position in society**, ie up till now living in a compound has meant poor access to water. In this respect ABOs turns position in society into a positive, as only compound members can join.

Building household level assets. The project seeks to build assets in several ways:

- Through the promotion of income-generating activities and the development of savings and loans to improve financial status (financial assets)
- Through personal empowerment and livelihood improvement training (known as PET/LIT) to increase knowledge and skills (human assets)
- Through involvement in ABOs which builds community relationships for better group based activities (social assets).

The building of assets is intended to lead to more sustainable livelihoods, eg through increased ability to access resources, more available income to eat better or pay for education; or better resilience to stresses, eg increased quality and quantity of water leading to less water related disease. For the long term, the building of household assets and community owned structures and processes strengthens both households and communities for longer term possibilities for addressing other problems without outside interventions

The development of community structures, made necessary by the inability of municipal structures to manage or maintain existing services, and the consequent need for local organisations to address compound problems. Developing such structures utilises and builds up social assets, which may provide the basis for addressing community level stresses, eg crime, violence

Infrastructure improvement. Quality of roads, water and sanitation are critical urban management issues, as the PUSH II needs assessment demonstrated. Improvements in infrastructure can lead to immediate higher quality of life, eg less time taken collecting water, and importantly can contribute to increasing physical assets, namely land and house values.

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