

Transforming governance: improving livelihoods

If institutions and governance arrangements are to deliver improved livelihoods and sustainable development, they must evolve and adapt. SEI examines what kind of social change is needed to sustainably improve livelihoods around the world.

Much of SEI's work in this area looks at issues around livelihoods and development as resource "dilemmas", shaped by a range of legitimate interests and perspectives. It emphasizes the role of stakeholders, focusing on their motivations and actions, and strives to understand and promote ways to manage resource issues so that conflicts of interest can be openly appraised and negotiated, and therefore resolved in a more democratic and equitable way.

Key insights

- ***Sustainable development is at crossroads: the conventional emphasis on formal "institution building" is no longer sufficient, and new forms of joint action between governments, civil society and the private sector are required.***

With the exception of regions riven by armed conflict, most countries around the world now have legislative structures and government institutions formally in place to manage natural resources for sustainable livelihoods. Yet, public authorities expected to safeguard sustainability often suffer from poor performance and capacity gaps. This is the case, for instance, in the Swedish hydro-electricity sector (Rudberg 2011) as well as in the environmental monitoring of uranium mining in Niger (Larsen and Mamosso 2013). Furthermore, many policies and institutions are implemented in ways that promote vested interests of elites that run counter to the interests of poor and/or marginalized groups. The sustainable development community is at crossroads: the conventional emphasis on formal "institution building", though necessary, is no longer sufficient, and governments, civil society, the private sector and marginal groups need to cooperate on new forms of action.



Stakeholder consultation in South Africa

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There should be particular emphasis on informal and latent forms of power and their consequences for environmental governance and livelihoods. Research needs not only to engage with public agencies charged to implement and enforce policy objectives, but also to shed light on how to improve the "implementability" of espoused commitments. It also needs to recognise the drivers of change in the private sector and civil society. In urgent natural resource dilemmas with great livelihoods interests at stake, research and practice must centre attention on the actual, everyday performance of governing institutions.

- ***Livelihoods in low-income contexts need to be linked with livelihoods in affluent regions, particularly in terms of consumption patterns, supply chain governance, and sustainability certification.***

An obvious yet vital lesson from SEI's work on sustainable livelihoods is that the research community, donors and policy-makers generally continue to consider "livelihoods" as a developing country concern, analytically distinct from the lives of people in affluent, industrialized regions. This view disregards the intricate international networks of investment, trade, consumption and decision-making that today drive the exploitation of natural resources (Axelsson 2012). Notably, the global scramble for resources, which has made headlines in the debates on land and water grabbing, necessitates analysis that links livelihoods in low-income contexts with more affluent groups, particularly in terms of consumption patterns, market chain governance, and sustainability certification. It is more important than ever to address the impacts of market forces and the privatization and enclosure of public goods and common property that may infringe on the livelihoods and wellbeing of farmers, fisherfolk, and in particular indigenous peoples. A symptomatic example of these interdependencies is the oil palm agro-industry in Southeast Asia, which is continuing to expand rapidly in part to serve consumer demand in the EU (SEI 2012).

There is some momentum behind crafting and mainstreaming governance measures that address these global interdependencies in livelihoods. These measures range from government-driven requirements for public procurement to the adoption of sector-specific sustainability standards and other market-driven certification schemes (e.g. the Fair Trade and RSPO labels). Recently, strong arguments have been made to toughen due diligence and grievance procedures in global supply chains and the operations of transnational corporations with multiple subsidiaries, actions that could be linked to the United Nations Guiding Principles on Business and Human Rights.

However, efforts to make such governance innovations legally binding encounter considerable inertia, with implications for how nation states and their authorities govern. Because market chains and groups of companies lack the sanction mechanisms associated with legal liabilities, they continue to gain benefits from globalization without being subject to corresponding accountability measures.



Child playing with sugarcane

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- **Disaster risk reduction (DRR) is shifting from a focus on disaster relief towards prevention of loss and damage. If it is to be more effective at safeguarding livelihoods, it needs to become an integral part of development planning.**

The focus of DRR is shifting from reducing or compensating for damage and loss from disasters to preventing such damage from occurring in the first place – that is, building resilience. This shift has developed out of lessons learned about how individuals and communities build resilience and protect livelihoods in a multi-risk environment, including small scale and slow-onset disasters, violent conflict, uncontrolled urbanization, environmental degradation, climate change and other global challenges, combined with economic and social fragility (Johannessen et al. 2014). To help communities to build resilience and safeguard livelihoods, DRR will need to become an integral part of development. Risks associated with rapid and poorly planned urbanization – for example where vulnerable structures are built on land exposed to hazards (Johannessen and Hahn 2012) – could be significantly reduced if DRR were properly integrated into planning processes.

At the research level, there is a need to integrate issues that underpin sustainable livelihoods, such as food security, sanitation and natural resource management, with the traditional DRR agenda. There is also a need to better understand the causal relationships that are at the root of disaster loss and damage, and to shift the balance of response to address underlying risks. Effective planning tools and decision support for local responses to disaster risk are important so that actions do not inadvertently create risks elsewhere.

Other major activities

SEI has piloted new approaches and advanced understanding in several key areas related to governance for sustainable livelihoods and social change.

Water resource management and land-use change in the Southeast Asian palm oil sector. In an 18-month action research process in Indonesia, SEI partnered with a national human rights organization and a local environmental NGO to examine the impacts on water resources brought about by the expansion of oil palm plantations. In Thailand and Cambodia, the partnership also carried out related case studies on land-use change caused by the oil palm sector. The research identified cases of alleged non-compliance on the part of several companies, which were reported to government offices and the leading certification scheme on palm

oil, the Roundtable on Sustainable Palm Oil (RSPO). SEI fed results from the project into the European Commission’s revision of the EU Renewable Energy Directive and the revision of the RSPO standard on sustainable palm oil (SEI 2012).

Arctic Resilience Interim Report. This report presents the findings of the first half of a major international collaboration set in motion at the start of the Swedish Chairmanship of the Arctic Council. The project aims to examine the resilience of Arctic social and ecological systems amid rapid change, focusing on the risk of large shifts in ecosystems services that affect human well-being. It provides an overview of resilience from the perspectives of indigenous societies in the Arctic, and the adaptive capacity of its social-ecological systems. It also presents four case studies that assess how governance of Arctic shipping could impact on local livelihoods; options for resilient livelihoods in the Southwest Yukon Territory; challenges to the way of life of nomadic reindeer herders in Finnmark, Norway; and food security in a changing Arctic (Arctic Council 2013).

Sanitation and hygiene in East Africa – policy and practice.

The improvements in public health that safe sanitation brings are crucial to economic activity and sustainable livelihoods. In rural Rwanda, SEI examined formal sanitation and hygiene standards and guidelines and actual practice at the household level, highlighting significant divergence between the two. The research revealed a range of insights which, if acted on, could help to bring sanitation and hygiene practice in line with policy and thus bring significant gains for the health and wellbeing of communities. These include: low prioritization of sanitation among local people; financial constraints on household investments; and a lack of understanding of prescribed sanitation and hygiene guidelines. SEI helped to improve the practice of sustainable sanitation in the East African region by communicating insights and lessons through a network of sanitation experts from Rwanda, Uganda, Tanzania, and Burundi (Ekane et al. 2012).

Facilitating European governance innovations for climate change adaptation and water governance (CADWAGO).

Based on the foundation of past and ongoing research cases, SEI has convened a consortium of leading social science institutions



Hammerfest, northern Norway. SEI is studying resilient livelihoods in the Arctic.

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Governance in Europe

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from Europe, Australasia and North America to promote systemic and adaptive transformations in water governance within Europe. The emphasis is on increasing the adaptive and systemic fitness of key European governance processes that are considered to have a significant global footprint, and that are important in terms of water governance and climate change adaptation (SEI 2013)

Regional climate change Adaptation Knowledge Platform for Asia. SEI was lead partner in the AKP, and part of its work was to examine how climate change might affect livelihoods in the countries covered by the platform, and how adaptation could protect livelihoods. Large shares of the population in much of the Asia and Pacific region depend on climate-sensitive sectors such as agriculture, fishing, forestry, and tourism. This has made protecting livelihoods a priority in adaptation efforts. Multiple studies were carried out under the AKP, which enlisted researchers in 13 Asian countries to evaluate adaptation needs, engage with policy-makers, planners and practitioners at the national, sub-national and local levels, and interact directly with communities through case studies and pilot projects. (Davis and Turner Walker 2013).

Participatory social network mapping. This method facilitates learning between different stakeholder groups and levels of governance. Participatory social network mapping enables stakeholders at all levels of resource use and decision-making to set out their perspectives on flows of formal and informal resources across a range of issues. It helps participants to visualize the different “world-views” at stake in a given issue. Not only does this support greater shared understanding, it also helps to identify gaps and weaknesses in areas of institutional governance that affect livelihoods and the pace of positive social change (Bharwani et al. 2012)

New research and future pathways

SEI will continue to develop its work to improve governance for sustainable livelihoods. In particular, it will offer knowledge support to government agencies, civil society organizations and companies that are experimenting with new institutional measures that draw on novel mixtures of government regulation, market intervention and stakeholder negotiation.

Such measures are characteristic of an emerging field of praxis that seeks to foster interplay between local institutions and transnational regulation. The development of such innovations can be described by the terms “hybrid accountability” or “institutional bricolage”, that is, blending different institutional building blocks

in such a way that is appropriate to different contexts. One example of this approach is the effort to embed into government regulation the principle of Free Prior and Informed Consent (FPIC) of communities. Another is the movement to induce governments to adhere to extra-territorial obligations (ETOs) – that is, the obligation of governments to regulate how businesses registered within their national territories act in other countries, including when their actions cause damage to livelihoods. These efforts hold a promise to significantly improve governance performance and make a difference in the short and medium term, including stimulating more decisive international and national political reform.

SEI also aims to strengthen how its work connects local livelihoods in the “South” with livelihoods in the “North”, in particular, to bridge national, regional and international policy analysis to deliver richer pictures of the governance issues connected to sustainable livelihoods and social change.

Another aim is to connect livelihoods analysis with efforts to foster social change across disciplinary fields and communities of practice, such as disaster risk reduction (DRR). SEI is in a good position to provide perspectives on risk and resilience. We recognize that vulnerable people search for resilience strategies irrespective of whether the crisis they face brings a humanitarian or developmental response. By connecting the dots between existing research areas, such as food security and sanitation, with activities in climate, disaster and humanitarian programmes, SEI can contribute to mainstreaming DRR in existing policy frameworks.

SEI will also seek to further develop its existing toolkits for both participatory and quantitative governance analysis. These tools will help to better analyze institutional strengths and weaknesses, agents of change and potential impacts on livelihoods.

A growing number of SEI staff have started to work around these issues, connected to different research questions and donor agendas, yet united by a common interest. It is a timely moment for SEI to take a lead in research on sustainable livelihoods in an era of globalisation, in which governance innovations must be locally relevant but have transnational bearing.

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