

**Livelihoods Diversification and Resilience in Dryland Areas
For USAID Resilience Evidence Forum**

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1. There is no direct mapping of diversification and livelihood security: in and of itself, diversification is not clearly associated with either positive or negative changes in livelihoods—it is entirely about understanding the context, the range of opportunities open to people and what their livelihood opportunities are.
 - a. One question is about the nature of diversification.
 - b. The other is about the diversification of “what?”

2. On the nature of diversification, one of the major pieces of research on this topic was the “Moving Up/Moving Out” study and several follow ups in the drylands areas of East Africa:
 - a. These noted both greater poverty and more livestock production and marketing from the same pastoral areas at the same time.
 - b. Within pastoral economies, greater individual or private control over natural resources, dating from the 1970s has allowed some individuals/households to amass large herds and effectively privatize some key rangeland resources. They became quite wealthy and more commercialized, while others saw dwindling herd size.
 - c. Larger-scale herders were also better placed to capture downstream processing and marketing opportunities.
 - d. And they were better able to withstand shocks such as drought and be able to recover in their aftermath.
 - e. Poorer herders were generally less able to capture market opportunities and less able to withstand recurrent shocks, and eventually were forced out of the pastoral economy.
 - f. The key aspect of these points is that programming that supports commercialization of pastoralism can potentially have negative impacts on poorer herders.
 - g. The options for diversified livelihood activities within pastoralist areas were limited and typically, poorer people had little option but to engage in activities with low income or wages, and/or activities with negative long-term environmental or social outcomes.
 - h. These include casual labor (which is often not in high demand), farming (which is extremely risk-prone in dryland areas) or natural resource extraction. All of these are “diversified livelihoods” but tend to trap people in a cycle of poverty and vulnerability that is difficult to escape.
 - i. In some areas there is a shift to small ruminants driven by market demand in North Africa and Middle East. Small ruminants reproduce more quickly than cattle or camels, enabling some producers to get back into pastoral production. Again, this is highly context specific.
 - j. Agriculture is commonly promoted as the best diversification option, but in areas with high rainfall variability, is riskier than herding. Agriculture can complement

livestock production at the household level, and there are success stories but success is highly contextual.

- k. There are opportunities linked with pastoralism also—for example trade, markets and service activities. But these activities are unlikely to be able to absorb the number of people moving out of primary pastoral production.
 - l. So while service livelihoods linked to pastoralism are important, more options are required outside of the pastoral economy and outside of pastoralist areas, but this means broadening the geographical boundaries of policies and programs beyond pastoralist areas to include non-livestock economic opportunities – and likely growth in these opportunities, including in particular urban employment.
 - m. Education plays a huge role in supporting positive diversification outside of the pastoral economy, but access, affordability and quality issues are critical. Demand for formal education is increasing—in the absence of education, options are limited.
 - n. Evidence suggests that access to both education and some kinds of labor opportunities is highly gendered, so even where such opportunities exist, access is highly unequal.
3. The question might be: “Diversification of what?”
- a. Most of the literature on diversification is about income streams (livelihood activities) and assets.
 - b. Experience from at least some of our research suggests that the important consideration is less about activities and assets than it is about diversification of risk.
 - c. Anecdote about sorghum farmers in South Central Somalia “diversifying” into sesame production, making lots of money and using the money to buy cattle? In 2010 this group looked extremely successful—more diversified income streams, wealthier, and more diversified assets. But not only were all these vulnerable to the same hazard (drought) sesame offered significantly fewer options in the event of a crop failure—a failed sorghum crop could at least be fed to livestock as fodder. The shock of 2011 led many in this group to lose everything whereas even less wealthy households that had diversified outside of the rural economy—maybe only with some laborers in towns or other low return income streams with facing a different set of hazards—lost less and were more able to recover. The issue is how diversified the risk portfolio is.
 - d. Same story in West Africa study with the 2008 food price crisis—the very strategies that make people vulnerable to drought or production shocks were the ones that enabled people to withstand a market shock.
 - e. We tend to emphasize climatic and environmental hazards. Conflict is also an important risk and a constraint that blocks transhumant migration—whether outright war or just local hostilities. Conflict avoidance strategies are important to understand.
4. In summary:
- a. Diversification is good if it can spread risks and increase income streams or assets—but it doesn’t necessarily always achieve that.
 - b. Increasing diversification at the household level—farmers expanding into livestock, pastoralists expand into farming and the other activities noted—may require multi scalar integration and programs that specifically promote progress towards resilience goals. Livelihood security and resilience, not diversification *per se*, is the goal.

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