

GFSS Technical Guidance

Diversifying Livelihoods, Resilience, and Pathways Out of Poverty

This is one of 18 technical guidance documents for implementing the U.S. Government's Global Food Security Strategy. The entire set of documents can be found at www.feedthefuture.gov and www.agrilinks.org.

Introduction

Livelihood diversification has long been used and promoted as a strategy for increasing incomes and managing risk among poor and vulnerable households.^{1,2,3} Diversification out of agricultural production is also consistent with trends and the evidence-based vision for rural transformation laid out in the U.S. Government's Global Food Security Strategy (GFSS). However, the relationship between livelihood diversification, pathways out of poverty, and resilience carries some important caveats.

- Diversification alone may not be sufficient to buffer individuals and households from shocks and stresses and may even increase their vulnerability.^{4,5} This is particularly true for households who are engaged in (or default to) multiple, unstable, and low return livelihood activities.
- Diversifying livelihood activities does not necessarily *diversify livelihood risk* if those activities are exposed and vulnerable to the same (covariate) risks.^{6,7} The sensitivity of agricultural livelihood activities to weather variability provides a prominent example.
- Livelihood diversification is but one means of managing the range of risks poor and near poor households face, including those associated with agriculture-based livelihoods. The GFSS Technical Guidance for Objective 2: Strengthened Resilience Among People and Systems and the GFSS Technical Guidance for Increased Sustainable Agricultural Productivity provide information on other approaches.⁸
- As agricultural productivity improves, the sector tends to shed labor. The process of rural transformation involves labor moving to the rural non-farm economy (RNFE) or migrating to urban areas.⁹
- As agricultural incomes increase, the demand for more non-farm goods and services can act as a push factor for the RNFE and the development of market towns and tertiary cities.¹⁰ However, this means that engaging in the RNFE is an incomplete hedge against agricultural risks since they are covariate at the community level.
- Diversification off-farm and outside the agriculture sector “will happen only as fast as educational advances and growth in the off-farm job opportunities will allow,” while smallholder agriculture will continue to be the engine of rural economies and “remain fundamental to absorbing much of Africa’s burgeoning young labor force.”¹¹ Small and medium-scale agriculture, especially beyond the farm through diversified services and input and output markets, will also contribute to youth employment opportunities.

This guidance document discusses how diversifying livelihoods strategies and risks on- and off-farm as well as in and outside the agriculture sector can contribute to a comprehensive risk management approach.

Key Terminology

A common understanding of the following terminology is important for designing and implementing activities aimed at diversifying livelihoods and livelihood risk.

Market System Development: An approach that extends beyond individual value chains to build the capacity and resilience of local systems.¹² A *value chain* refers to the actors and functions connected by a series of value-addition transactions from production to consumption of goods and services in response to a market demand. The GFSS Technical Guidance on Market Systems and Value Chain Programming provides a more extensive discussion on the relationship between value chains that are the basis of market systems.¹³

Livelihood: A livelihood comprises the assets (natural, physical, human, financial, and social capital), the activities, and the access to these (mediated by policies, institutions, and social relations) that together determine the earnings gained by the individual or household.¹⁴

Push/Pull Approaches: In the context of livelihoods and livelihood risk diversification, push strategies seek to remove constraints and build the capacities of individuals to engage in markets and various income-generating activities. Pull strategies seek to expand the diversity and quality of accessible economic opportunities by strengthening market demand for these income-generating activities.¹⁵

Resilience: The ability of people, households, communities, systems, and countries to reduce, mitigate, adapt to, and recover from shocks and stresses in a manner that reduces chronic vulnerability and facilitates inclusive growth.¹⁶

Risk Management: The set of activities, behaviors, decisions, and policies that allow individuals, households, and communities to mitigate (reduce) the likelihood or severity of a shock, transfer, or positively cope (without employing negative coping strategies, such as productive asset depletion) with shocks, stress, and risk exposure, including adaptation strategies that help individuals, households, and communities manage longer-term trends and stresses.

Designing Interventions

The poor and near poor often face challenges in matching their income generation and agricultural production with their consumption and investment needs. For example in rural agricultural settings, the seasonal production and harvest cycles and resulting sales can be disrupted in unpredictable ways by weather shocks, crop and animal pests and diseases, sudden price shifts, governance and policy changes and, in certain contexts, political instability and conflict. Idiosyncratic shocks such as accidents and illness can also strain household livelihood strategies, income generation, and expenditure patterns in unexpected ways. Gender dynamics and marginalization also influence constraints and opportunities in livelihood systems. Gender divisions in livelihood choices and labor force participation are reinforced by social norms that undervalue women's labor, restrict women's mobility and decision-making power, and limit women's social and professional networks. Marginalized or disadvantaged groups who are especially affected by poverty may be pressured to engage in livelihoods that are less desirable or less productive.

As discussed in the GFSS Technical Guidance for Objective 2: Strengthened Resilience Among People and Systems,¹⁷ how people respond to and manage these challenges depends upon their capacities, assets, resources, social capital, hopes, and aspirations. From a livelihoods perspective, negative coping strategies can involve either "*hanging in*," when individuals and households take little to no action to diversify livelihood risk in the face of adverse circumstances or "*dropping out*" of a formerly productive livelihood into lower risk but less productive opportunity. In contrast, positive adaptive pathways for managing livelihood risk include:

- *stepping up* within agriculture and buffering risk through agricultural diversification, increasing specialization,¹⁸ and more market oriented production and engagement elsewhere in agricultural

- value chains to increase income, build savings, accumulate assets, and/or buy insurance;
- *stepping partially out* of agriculture to engage in livelihoods that have a different risk profile as a complement to agriculture-based livelihoods; and
- *moving out* of agriculture entirely and into livelihoods that have a different risk profile and potentially higher returns.

One strategy for *stepping up* within agriculture is *crop (or herd) diversification* to reduce the risk of production loss or a reduction in value due to adverse weather, pests and disease attacks, or unfavorable market conditions for any one crop.¹⁹ This may entail strategies such as raising livestock or other animals in addition to crop cultivation, crop rotation over multiple seasons, or a mixed/intercropping system in the same season. These strategies also can increase agricultural productivity (e.g., intercropping or rotations of maize with nitrogen-fixing legumes). However, field programs should be careful to avoid placing additional burdens on households, particularly women, when promoting on-farm diversification and also avoid pushing households into less viable or productive crops. Most small-scale producers will likely need increased access to resources, such as agricultural inputs, for more productive and adaptive crops. There may also be strong cultural preferences for growing certain crops over others. Another strategy for stepping up is *diversifying within the agriculture sector, both on- and off-farm*. The former includes cash or niche crops, livestock, aquaculture, apiculture, basic farm level processing, or aggregation. The latter includes engaging in service provision, aggregation, and value addition elsewhere along agricultural value chains.²⁰ Many poor farmers are risk averse and need to see the benefits of these strategies before making a choice to engage or invest in a particular strategy. This may be particularly true for women.

Stepping out or moving out of agriculture and into off-farm, non-agricultural livelihoods with lower or less direct exposure to risks imposed by weather variability can significantly reduce household and community livelihood risk.²¹ One strategy is engaging in microenterprises (as a form of *self-employment*) or small- and medium-sized enterprises (SMEs) outside of the agriculture sector; agricultural growth is particularly effective at expanding such opportunities. Even so, these enterprises are indirectly exposed to these risks to the extent the local economy (and local demand) is dependent on agricultural production. Likewise, if too many people in a community choose to diversify into similar enterprises this can oversaturate local markets. Seeking formal or informal wage employment in rural towns and hubs is another strategy for those who lack the assets, resources, or aspiration to engage in self-employment or entrepreneurship. Still another strategy is *migrating for employment or other opportunities*, seasonally or permanently, including to secondary cities, capitals, and other countries.²² Migration can be an effective means of managing covariate livelihood risk. However, it also entails significant risks of its own, particularly for women and youth, and finding work is not guaranteed. If successful, however, it can also afford a critical source of resilience for the migrant and, through remittances, a source of resilience and investment capital for those that remain at home.²³ For example, in Bangladesh, remittances have been linked to sustainable poverty escapes for female-headed households²⁴ and in Niger internal and regional labor migration is an important household coping strategy.²⁵ In Cambodia, there is strong evidence of the reciprocal nature of labor migration showing that 98 percent of urban migrants remitted income to their rural communities with 74 percent receiving resources (food, durable goods) from their families or communities in return.²⁶ Internal migration is more likely to succeed in improving household resilience if it takes place within a supportive policy environment, with portable social protection benefits and civic rights.

Role of Youth and Employment

In all three of these adaptive pathways, the economic empowerment of youth is key to building sustainable livelihoods and facilitating sustainable and resilient poverty escapes. Programming should go beyond the typical technical and vocational training of youth and include activities aimed at strengthening basic literacy and numeracy, personal entrepreneurial competencies,²⁷ personal money management and financial literacy, and job readiness and networking skills as well as creating incentives for youth to

engage in high return livelihoods. For example, recent evidence from Niger and Burkina Faso shows that insufficient business skills and a lack of professional networks are two common barriers to youth entrepreneurship.²⁸ Creating labor demand is also critical to expanding youth employment opportunities. Divisions of labor can begin at an early age. Therefore, an understanding of gender dynamics within and beyond the household is necessary to developing inclusive strategies to link young people to new market opportunities as producers, employees, and entrepreneurs. See the GFSS Technical Guidance for Youth Programming and Employment and Entrepreneurship for more information.²⁹

Links to Fragility and Violent Extremism

In any given context, the motivations for joining violent extremist groups are varied and complex. However, there is clear evidence that a lack of economic opportunities in and outside the agricultural sector, associated grievances, and curbed aspirations can motivate individuals and groups to seek alternatives, including those associated with participation in violent extremism. For example, a USAID/Pakistan-funded study of violent extremism in South Punjab and Sindh suggests that the lack of economic opportunities, marginalization, and associated grievances are important push factors that draw individuals into violent extremism.³⁰ Recent research by Mercy Corps into youth motivations for joining Boko Haram reveals that Boko Haram tapped into similar motivations and used business loans as a means of recruiting from among the local population.³¹ In Somalia, as little as \$50 a month and a mobile phone are enough to attract some youth to join al Shabab.³² While not a stand-alone solution, livelihood programs that create diverse economic opportunities in and outside agriculture, including for youth in rural towns and cities, have an important role to play in helping to address the push factors extremist groups have exploited for recruitment. These activities can be paired with other multi-sectoral programming that strengthens community engagement for youth³³ and related governance interventions that address other underlying causes of grievances.³⁴

Implementation Guidance

- **Expanding and diversifying livelihood and economic opportunities** — Livelihood diversification efforts should focus on diversifying risk exposure and not simply the number of income generating activities. Further, in some contexts certain livelihoods may be better adapted to the prevailing social and ecological systems than others (e.g., well-managed pastoralism may be better adapted to arid and semi-arid ecosystems than certain cropping systems).³⁵ Evidence also shows that livelihood diversification as a resilience strategy and sustainable pathway out of poverty is more successful when it enables individuals and households to engage in high return (and stable) economic activities.³⁶ At the same time, women's and girls' lower rate of literacy and numeracy, especially in rural areas, is a major barrier to their potential success in running a household enterprise. These findings reinforce the need for strategies and policies that promote entrepreneurship, improve the enabling environment, increase access to credit and financing, promote literacy and numeracy (particularly for women and girls), and help poor households and communities transition away from unstable or low return activities and employment.
- **Market systems approach** — This approach, described in the GFSS Technical Guidance for Market Systems and Value Chain Programming,³⁷ can be applied to generate market-driven livelihoods opportunities in and outside of agricultural markets. The approach can catalyze local action to improve the enabling environment for diversified livelihoods. Conversely, households may choose to specialize in fewer livelihood activities when they have access to well-functioning, reliable markets as a source of 1) demand for their own products and services and 2) supply of their other household needs. In another application, financial market facilitation creates access to savings, credit, and insurance products that enable household risk mitigation.
- **Push/pull approach** — As defined above, this market-oriented, pathways-based approach to poverty reduction seeks to strategically link, in design and practice, market development

initiatives with efforts to support transitions out of poverty for the extreme poor, including the landless and other highly marginalized populations.³⁸ These linkages can be designed within a single activity or across multiple activities, but must be explicit and intentionally connected to have impact. Successful activities use both push and pull approaches as part of the same strategy.

- **Employment and enterprise** — Livelihood programs have tended to focus on self-employment and have largely ignored wage employment pathways.^{39,40} Graduation approaches designed to help ultra-poor households transition out of precarious wage labor and into more secure employment can provide a pathway out of poverty and a source of resilience.⁴¹ Labor market analysis is critical prior to programming to determine any underlying constraints. This analysis should consider both demand-side (e.g., are there enough jobs in the economy to create derived demand for specific skills?) and supply-side (e.g., do individuals have the right skills to raise earnings?) interventions. Efforts to expand formal employment in rural areas should account for occupational safety, access to safe and affordable transportation, gendered norms around mobility, and workload and responsibilities that affect women's, men's, and youth's abilities to engage in formal employment. In addition to formal employment, contract farming, home-based processing, or developing nearby markets may create opportunities, especially for women who may be less able to travel. Likewise, developing appropriate social protection for informal workers can strengthen resilience even among households reliant on very low wage labor.
- **In-country and regional migration for employment as an adaptive strategy** — Rural livelihood programs have not traditionally looked at how seasonal (or longer) labor migration to nearby towns and cities can be an important adaptive strategy to diversify livelihood risk. For example, in Bangladesh, research found that households that were offered financial incentives to send a member to urban centers for employment experienced a 19 percent increase in income during the lean season and had an extra 550-700 calories per person per day.⁴² In addition to activities that enhance local employment opportunities, design teams should consider ways to facilitate fair migration to urban and peri-urban areas for the purposes of diversifying livelihood risk, where appropriate.
- **Focus on the development of non-cognitive skills⁴³ in addition to technical and vocational training/skills development** — Developing a core set of skills comprised of positive self-concept, self-control, and higher-order thinking skills is a strategy to achieve positive cross-sectoral outcomes for youth and other marginalized groups in workforce success, violence prevention, and sexual and reproductive health.^{44,45} Interviews with employers in Ethiopia cited the need for staff with enhanced skills in customer service, communication (including listening and taking direction), trust, reliability, and commitment.⁴⁶ Vocational training programs should include activities focused on building job-readiness and other skills. Design teams that choose to focus exclusively on building these skills, if analysis shows a true skills gap, can look for opportunities to partner with the private sector to develop technical training and apprenticeship opportunities.
- **Consider strategies to link livelihoods to improved nutrition** — Livelihoods affect the nutrition of individual household members through multiple pathways and interactions, which may be different for men, women, and children.⁴⁷ The [Understanding and Applying Primary Pathways and Principles](#) document describes how income and cash flow can be used for immediate or future household needs — including food, sanitation, and non-food purchases — to support a healthy diet and life.
- **Pay attention to the relationship between livelihoods and the natural environment** — The poor and near poor are often heavily dependent on the natural environment for their livelihoods and well-being. Degradation, misuse, and overuse of these resources can negatively affect economic growth and livelihood options. Principles for effective natural resource management programming should be considered as appropriate when designing livelihoods activities. These include 1) safeguarding natural resource productive capacities and ecosystem services; 2)

encouraging the restoration of degraded lands; 3) promoting sustainable agricultural practices and systems that increase natural resource productivity; and, 4) promoting resilient production systems.⁴⁸

- **Be sensitive to social exclusion and the possible need to change social norms** — In contexts where the most vulnerable are excluded from productive assets because of legal, social, or cultural norms, recognize the need to address these barriers in order to expand livelihoods opportunities. Toolkits applicable to gender integration and challenging gender norms often contain useful guidance that can be applied to other vulnerable groups. This is sometimes more easily done when new employment or livelihoods opportunities are on the table.
- **Measurement needs to go beyond simply counting the number of livelihoods** — Design teams and implementing partners should examine the *qualitative* differences in the risk exposure of various livelihoods, as well as their costs and other barriers to entry, to better understand their vulnerability to specific shocks and stresses. For example, using the category “wage labor” when collecting information on livelihood sources may be insufficient to determine the exposure to weather variability and other risks associated with that livelihood source.

Resources

[Key Sheets for Sustainable Livelihoods](#) — Describes a conceptual module for a sustainable livelihoods approach that promotes systematic analysis of the underlying processes and causes of poverty.
<https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/3219.pdf>

From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach
http://www.cgap.org/sites/default/files/graduation_guide_final.pdf

For more information, please contact ftfguidance@usaid.gov.

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- ¹ Bezu, S., Barrett, C., & Holden, S. (2010). Does the nonfarm economy offer pathways for upward mobility? Evidence from a panel data study in Ethiopia. MPRA Paper No. 35754. See <http://mpra.ub.uni-muenchen.de/35754/>.
- ² Haggblade, S., Hazell, P., & Reardon, T. (2007). In: Haggblade, S., Hazell, P. and Reardon, T. (eds), Transforming the Rural Nonfarm Economy. Johns Hopkins University Press.
- ³ As agricultural productivity improves, the sector tends to shed labor. The process of rural transformation involves labor moving to the rural non-farm economy or migrating to urban areas.
- ⁴ Nelson et al. (2016). The effect of livelihood diversity on recovery and shock impact in Ethiopia, Kenya, and Uganda. See <http://www.fsnnetwork.org/effect-livelihood-diversity-recovery-and-shock-impact-ethiopia-kenya-and-uganda-0>
- ⁵ ACDI-VOCA (2016). Resilience and sustained escapes from poverty: Highlights from research in Bangladesh, Ethiopia and Uganda. (2016). See <https://www.microlinks.org/library/resilience-and-sustained-escapes-poverty-highlights-research-bangladesh-ethiopia-and-uganda>
- ⁶ Boudreau, T. et al. (2013) Livelihoods at the Limit. Food security in a changing world: Evidence from the consolidated Household Economy Analysis database. Food Economy Group and Save the Children. Accessed at <https://resourcecentre.savethechildren.net/library/livelihoods-limit-food-security-changing-world-evidence-consolidated-household-economy>
- ⁷ https://www.mercycorps.org/sites/default/files/WhatReallyMattersForResilienceSomaliaNov2013_0.pdf
- ⁸ GFSS Technical Guidance for Objective 2: Strengthened Resilience Among People and Systems and the GFSS Technical Guidance for Increased Sustainable Agricultural Productivity <https://feedthefuture.gov/lp/guidance-and-tools-global-food-security-programs>
- ⁹ Timmer, C.P. (1988). The Agricultural Transformation; In *Handbook of Development Economics*, Ch. 8, pp. 275-331.
- ¹⁰ Ibid
- ¹¹ F Kwame Yeboah, TS Jayne, Africa's evolving employment structure, (2016) Food Security International Development Working Papers, Michigan State University, Department of Agricultural, Food, and Resource Economics <http://ageconsearch.umn.edu/record/246956>
- ¹² See USAID LEO [A Framework for Inclusive Market System Development](#).
- ¹³ GFSS Technical Guidance for Market Systems and Value Chain Programming <https://feedthefuture.gov/lp/guidance-and-tools->

[global-food-security-programs](#)

¹⁴ Ellis, F., (2000). Rural Livelihoods and Diversity in Developing Countries. Oxford University Press, Oxford.

¹⁵ See USAID's LEO (2015), [A Framework for a Push/Pull Approach to Market System Development](#).

¹⁶ USAID. (2012). Building resilience to recurrent crisis: USAID Policy and Program Guidance. See https://www.usaid.gov/sites/default/files/documents/1866/Policy%20%26%20Program%20Guidance%20-%20Building%20Resilience%20to%20Recurrent%20Crisis_Dec%202012.pdf

¹⁷ GFSS Technical Guidance for Objective 2: Strengthened Resilience Among People and Systems <https://feedthefuture.gov/lp/guidance-and-tools-global-food-security-programs>

¹⁸ The GFSS Technical Guidance for Objective 1: Inclusive and Sustainable Agricultural-Led Economic Growth and the GFSS Technical Guidance for Livestock provide additional information on increasing on-farm specialization as a pathway out of poverty and a way to manage risk. <https://feedthefuture.gov/lp/guidance-and-tools-global-food-security-programs>

¹⁹ See USAID Program for Sustainable Intensification at

https://feedthefuture.gov/sites/default/files/resource/files/ftf_factsheet_fsicsustainableint_may2015.pdf

²⁰ Gunjal, K. (2016). Agricultural Risk Management Tools: Resource for the e-learning curriculum course on "Agricultural Risk Assessment and Management for Food Security in Developing Countries." See

http://p4arm.org/app/uploads/2016/05/PARM_ARM-Tools-Elearning_Gunjal_May2016.pdf

²¹ Nelson, S., et al. (2016). The effect of livelihood diversity on recovery and shock impact in Ethiopia, Kenya, and Uganda. See <http://www.fsnnetwork.org/effect-livelihood-diversity-recovery-and-shock-impact-ethiopia-kenya-and-uganda-0>

²² IIED. (2015). Internal migration can be a radical adaptive strategy in Bangladesh, IIED Briefing, April 2015. See <http://pubs.iied.org/pdfs/17268IIED.pdf>

²³ Innovations for Poverty Action (2016). No lean season: Encouraging seasonal migration to address income insecurity, IPA Policy Brief, December 29, 2016. See http://www.poverty-action.org/publication/no-lean-season-encouraging-seasonal-migration-address-income-insecurity?utm_source=newsletter1&utm_medium=email&utm_campaign=newsletter%2Bmar%2B2017

²⁴ ACIDI-VOCA (2016). Resilience and sustained escapes from poverty: Highlights from research in Bangladesh, Ethiopia and Uganda. (2016). See <https://www.microlinks.org/library/resilience-and-sustained-escapes-poverty-highlights-research-bangladesh-ethiopia-and-uganda>

²⁵ USAID. (2017). USAID/Senegal Livelihoods diversification analysis (LDA) final report http://www.ipc-undp.org/pub/eng/PIF39_Debating_Graduation.pdf

²⁶ Parsons, L. et al. (2014) Wheels within Wheels: Poverty, Power and Patronage in the Cambodian Migration System. J. of Developmental Studies, Vol. 50(10), pp.1362-1379. See <http://www.tandfonline.com/doi/abs/10.1080/00220388.2014.940915>.

²⁷ http://empiretec.uncatd.org/?page_id=30

²⁸ USAID. (2017). USAID/Senegal Livelihoods diversification analysis (LDA) final report http://www.ipc-undp.org/pub/eng/PIF39_Debating_Graduation.pdf

²⁹ See GFSS Technical Guidance for Youth Programming and GFSS Technical Guidance for Employment and Entrepreneurship <https://feedthefuture.gov/lp/guidance-and-tools-global-food-security-programs>

³⁰ Guide to Drivers of Extremism in Southern Punjab February 2009, USAID/Pakistan. http://pdf.usaid.gov/pdf_docs/Pnadt978.pdf

³¹ Motivations and Empty Promises: Voices of Former Enemy Combatants and Nigerian Youth: <https://www.mercycorps.org/research-resources/motivations-and-empty-promises-voices-former-boko-haram-combatants-and-nigerian>

³² Radicalisation and al-Shabaab and recruitment in Somalia <https://issafrica.s3.amazonaws.com/site/uploads/Paper266.pdf>

³³ See GFSS Technical Guidance for Youth Programming <https://feedthefuture.gov/lp/guidance-and-tools-global-food-security-programs>

³⁴ See Mercy Corps (2015) Youth and Consequences: Unemployment, Injustice and Violence for a more in depth discussion of this topic. At <https://www.mercycorps.org/research-resources/youth-consequences-unemployment-injustice-and-violence>

³⁵ Liao et al. (2014) Does diversification translate into improved livelihoods? Evidence from pastoral households in Altay and Tianshan Mountains of Xinjiang, China. See <https://ssrn.com/abstract=2628701> or <http://dx.doi.org/10.2139/ssrn.2628701>.

³⁶ Nelson, S., et al. (2016). The effect of livelihood diversity on recovery and shock impact in Ethiopia, Kenya, and Uganda. See <http://www.fsnnetwork.org/effect-livelihood-diversity-recovery-and-shock-impact-ethiopia-kenya-and-uganda-0>

³⁷ GFSS Technical Guidance for Market Systems and Value Chain Programming <https://feedthefuture.gov/lp/guidance-and-tools-global-food-security-programs>

³⁸ See USAID's LEO (2015), [A Framework for a Push/Pull Approach to Market System Development](#).

³⁹ Meuller, B. & Bbosa, B. (2016). Wage labor for food security in Karamoja. See <http://www.acdivoca.org/2016/10/wage-labor-for-food-security-in-southern-karamoj-uganda/>

⁴⁰ Worldwide, up to 40 percent of the agricultural labor force is employed as wage labor and 80-90 percent of households engage in non-farm activities. Meuller, B. & Chan, M. (2015). Wage Labor, Agriculture-based Economies, and Pathways out of Poverty. Washington, DC: USAID's Leveraging Economic Opportunities. See

https://www.microlinks.org/sites/default/files/resource/files/Report_No_15_-_Labor_Stocktaking_Report_final.pdf and

https://www.microlinks.org/sites/default/files/resource/files/Rural_Wage_Labor_Infographic.pdf.

⁴¹ Collins, G. (forthcoming) Resilience and Graduation, UNDP Policy in Focus. See also GFSS Technical Guidance for Objective 2: Resilience for further discussion of graduation approaches.

⁴² <http://faculty.som.yale.edu/MushfiqMobarak/featuredresearch/No%20Lean%20Season.pdf>

⁴³ Also referred to as functional, transferable, or soft skills

⁴⁴ Gates, S., Lippman, L., Shadowen, N., Burke, H., Diener, O., and Malkin, M. (2016). Key Soft Skills for Cross-Sectoral Youth Outcomes. Washington, DC: USAID's YouthPower: Implementation, YouthPower Action. See <https://www.fhi360.org/sites/default/files/media/documents/resource-soft-skills-report.pdf>

⁴⁵ Note that five skills emerged with the strongest global evidence for workforce success: social skills, higher order thinking skills, self-control, positive self-concept, and communication skills. These are consistent with the findings in Ethiopia. Ibid.

⁴⁶ Save the Children International. (2017) Observations on migration for employment by young people in Wag Hemra, Sitti Zone, and Afar.

⁴⁷ For example, diversification into livestock is associated with increased consumption of animal-source foods, which are critical for pregnant and lactating women, and young children.

⁴⁸ These are discussed further in Nature, Wealth & Power 2.0: Leveraging natural and social capital for resilient development (2013). See <https://rmportal.net/library/content/nwp-2.0>.