Acknowledgements

Position paper by Benjamin Goldberg, Research and Advocacy Intern, Movement for Community-led Development (MCLD).

The arguments presented in this paper stem from a review of existing literature and a sector dialogue, Localizing Livelihoods: Expanding Opportunities in Communities, hosted by MCLD on September 16, 2021.

This paper has been possible with the guidance and review of many individuals. I would like to thank the following panelists and facilitators of the event for participating in the event and reviewing the subsequent position paper:

- **Dr. Laté Lawson-Lartego** (DBA), Interim Co-Vice President, Global Program, Oxfam America
- **Dr. Stephen Commins**, UCLA
- **Silvia Kananu**, Irex
- **Adesuwa Ifedi**, Heifer International
- **Eric Muñoz**, Oxfam
- **Anna Kovasna**, GEN

A special thank you to members of the MCLD team for their guidance and support throughout the planning and writing process:

- **Dr. John Coonrod**, Co-founder, **Gunjan Veda**, Senior Advisor of Public Policy and Global Collaborative Research, and **Sera Bulbul**, Research and Advocacy Associate.

Cover Photo Credit: The Hunger Project

Cover Photo Design by Sera Bulbul

November 2021
Introduction

The world is at a turning point in the fight against global poverty. The significant decreases in global poverty made in the previous decades are threatened by COVID-19 and climate change. Almost 1.3 billion people around the world still live on less than one dollar a day,\(^1\) and global unemployment threatens to exceed 200 million people by the end of 2022.\(^2\) If we truly want to ensure zero poverty, then action must be taken to go beyond simply providing the poor with money or jobs. As Dr. Laté Lawson-Lartego, Co-Vice President of Global Programs at Oxfam America, notes “We can increase income for the short term, and that’s great. People need to live and to buy food, but we also need to be looking at systemic change.”\(^3\) In order to achieve this goal of zero poverty, the world needs strong and effective policies to promote sustainable livelihoods.

Thus far, global and indeed national development efforts have been dominated by a top-down approach that imposes policies framed by donor governments or institutions. However, decades of this top-down development have not helped us in our pursuit of sustainable livelihoods. A new solution is clearly needed. One proposed solution has been community-led development: a decentralized approach that shifts the power of framing development policies from external forces to local stakeholders and communities. Through this devolution of power, community-led development advocates hope to provide those most adversely affected by poverty with the means and space to reclaim control over their development. This approach certainly has its challenges, but when implemented properly, it is a highly effective method of improving livelihoods economically, socially, and psychologically.

This position paper will begin by analyzing the arguments for and against community-led development in a livelihoods context. It will then wrap up by providing recommendations as to what both governments and the social sector can do to produce the most effective community-led livelihoods programs.

Arguments for Community-Led Development in Livelihoods

Local livelihoods strategies can and must be designed to encourage local economies to thrive sustainably. Beyond economic growth, localizing livelihoods has the potential to promote local capacities, build partnerships between the public and private sectors, and empower communities by looking at systemic changes. Building local livelihoods is not a ‘quick fix,’ but rather a long-term, sustainable solution to promoting livelihoods. A strategy focused on bolstering local economies has three main benefits: reducing rich-poor disparities, adding to the local workforce and minimizing numbers of migrating workers, and increasing confidence in the local economy.\(^4\)

---


Sustainable development needs local economies to thrive in order to go beyond basic anti-poverty efforts.

The localized approach that community-led development offers can successfully target marginalized groups that are often forgotten in economic development. Specifically, there are three reasons why community-led development is the most effective pathway to promote livelihoods. Firstly, community-led policies actively consider the needs of the people they are impacting. Secondly, community-led development allows for the effective inclusion of marginalized and vulnerable groups. Thirdly, the mindset change that results from community-led development enables community members to seize opportunities for their own growth.

People Know Best

Too often, policies are designed top-down by technocrats who feel as though they know best. Using their broad knowledge of neoliberalism and economics, they seek to institute policies across the Global South to reduce poverty through macro-level change. However, while theoretically strong and “proven”, these proposals are often incongruent with the local realities of the country or community they have been suggested for. Indeed, Carol Welch from the Institute for Policy Studies argues that these programs are typically “driven more by ideological principles” than by objective evaluations of a country or community’s specific economic situation. They act as blanket policies that impose sweeping changes with little regard for the significant economic, political, social, or cultural differences that may exist between communities. In the best case, these policies may help communities simply as a matter of chance. More often, however, such policies create “internal imbalances” by adopting a singular focus on one central problem, compromising the effectiveness of these policies by causing other regional or community-specific problems to go unaddressed.

Conversely, community-led development policies are extremely effective at promoting livelihoods around the world. They allow localities to better leverage their economic strengths on the international market, better connect policies to local needs and knowledge, and ensure that the policies can work within local limitations. After all, an outside perspective is unlikely to know the exact economic and socio-political situation within each and every community; the only people who will truly know the situation within a community are those who live in it. Therefore, Silvya Kananu, Project Lead for USAID Youth Excel with IREX, asserted that “Participatory approaches lead to better problem-identification, participation, and ownership.”

Such a focus on sustainable livelihoods can completely rejuvenate local economies. Let’s look at the Ha Tinh Rural Development Project (HRDP) undertaken by the International Fund for

---

7 Ibid.
Agricultural Development (IFAD) in Vietnam’s Ha Tinh province between 1999 and 2005. As a part of this project, IFAD implemented various programs across multiple communities, including sustainable microfinance schemes, rural infrastructure investments, and technical assistance for poor farmers. Throughout this process, IFAD stayed in close contact with local stakeholders to determine their changing needs. The results were overwhelmingly positive; in Ha Tinh’s 48 poorest communities, the poverty rate decreased from 52% to 18%. The reason for this success is that this program did not try to guess the barriers that communities faced in their journey towards development. The HRDP and other programs like it are directly informed by first-hand knowledge and experience, which facilitates the complete transformation of markets and the breakdown of structural impediments to development.

Including Marginalized Groups

Community-led development policies are also more effective at including marginalized, vulnerable, or otherwise disadvantaged groups. While top-down policies treat communities or even countries as homogeneous, community-led policies are designed by the very communities they are meant to support. When carried out in their true spirit, they actively seek to ensure that minority or disadvantaged groups get a seat at the table. In fact, inclusion is one of the key characteristics of community-led development.

Youth in particular benefit from community-led development programs. Around the world, the youth unemployment rate is systematically higher than that of older generations. This is due to a confluence of factors, including their lack of skills compared to older generations, failures in labor and capital markets, and macro-economic factors that restrict the formation and expansion of businesses. Community-led development can address this problem at its source by actively including youth in policy design and implementation. For example, Silvya Kananu explained that the Youth Excel Program run by IREX and USAID directly involves youths from a variety of racial and ethnic backgrounds in Issue-based, Place-based Collaborative Networks (ICONS). By directly consulting with youth-led and youth-serving organizations, educational institutions, and actors from both the private and public sectors, ICONs promote inclusive policies that directly address the needs of youth in each community. They train youth in marketable skills while simultaneously supporting their transition from school to the workplace.

---


10 Ibid.


Policymakers and communities alike must ensure that the necessary funds actively reach the groups being targeted. In order to do this, the best course of action would be for local governments to earmark funds for programs explicitly supporting particular vulnerable groups. Explicit earmarking is both more sustainable than a short term aid stream and less likely to have its funds cannibalized by other projects.

Mindset Transformation towards Agency

When a policy is issued from the top-down, the people are typically treated as nothing more than poor and needy individuals who require assistance in order to function. Additionally, their mere lack of inclusion in the policy design deprives them of a sense of choice and control in their lives. Indeed, Adesuwa Ifedi, Senior Vice President of Africa Programs at Heifer International, proclaimed “Many young people are not just out of a job, but they are psychologically beaten down to the point where most of the community sees them as a problem.” Top-down policies essentially deprive people of not simply the resources needed to escape poverty, but the willpower to use them. Community-led development policies avoid these psychological effects by putting people in charge of their own fates. As Ifedi noted, “This is not about doing something for them. This is not about doing something with them. It is about supporting them and enabling them to do something for themselves.” Rather than simply providing community members with jobs, community-led development empowers them to seize and develop opportunities for themselves. As a result, these programs are effective in improving both the economic and social standing of their participants. When people realize their own power and potential and are supported with skills and resources, there is very little that they cannot accomplish.

Re-orienting Power Dynamics

Combined, the three aforementioned factors have the potential to fundamentally re-orient power dynamics within communities across the world. Under a traditional top-down approach, the government is the only actor capable of instituting change or deciding the direction of future policy, to the detriment of impoverished community members. However, community-led development changes the narrative by putting resources and decision-making power in the hands of the people themselves. The people have greater freedom to make decisions in the community, therefore establishing a greater degree of control over resources, land allocation, public policy, and their lives in general.

Even after the program ends, these benefits will often persist and even grow. Once given, power and liberties are often very difficult to revoke. From that point onwards, the people will have greater ownership over their livelihoods, and they will continue to promote programs that fit this vision. Furthermore, the benefits that community-members create are used to accrue future benefits down the line; for example, a poor family that is allocated a large parcel of land can use that land to grow crops and produce economic rents.

15 Ibid.
16 Ibid.
17 Ibid.
18 Ibid.
Overall, community-led development in the livelihoods sector allows the people to take ownership over their own socioeconomic circumstances and better create change throughout their lives.

**Challenges of Community-Led Development in Livelihoods**

Community-led development has immense potential to promote sustainable livelihoods around the world and enable us to reach our goal of zero poverty. However, it does face multiple challenges. Five challenges in particular — inclusion, sustainability, corruption, implementation problems, and a lack of institutional capacity — have the potential to mitigate or even reverse the benefits of community-led development if they are not properly addressed.

**Inclusion**

While inclusion is one of the strongest arguments for community-led development, it can also be one of the greatest barriers to success. Community-led development programs are often effective in incorporating typically disadvantaged groups such as youth and women. However, there is still a tendency among policymakers to discount heterogeneity within these groups and to instead treat them as a single uniform entity. This exclusion can also take place within the communities themselves, as many stakeholders may limit their definition of “community” to their particular group to the detriment of disadvantaged peoples. Dr. Stephen Commins, Associate Director of Global Public Affairs at UCLA, identified certain groups as being especially prone to exclusion: ethnoracial minorities, linguistic minorities, people with disabilities, and the urban poor. Given that such groups already face difficulty finding jobs or accessing community services, their exclusion from community-led development programs stigmatizes them and exacerbates the economic divide between them and the rest of society. This is also true of LGBTQ+ people, who seldom find mention in CLD programs. MCLD’s study of 173 CLD programs across 65 countries found that unless a program focused on specific marginalized groups, they typically did not include participation by the LGBTQ+ population, people with disabilities, and minority populations.

Communities and NGOs can fight against this exclusion by actively pursuing inclusivity. For example, Kananu described Youth Excel as a program that works with local partners to identify “forgotten youths” that might not have been included in previous policies. According to Commins, such inclusionary efforts are essential to a policy’s effect. He declared that “Inclusion would revolutionize the lives of people who have been marginalized” by incorporating them into community programs, allowing them to uplift themselves from poverty and remove the scarlet letter of exclusion.
Sustainability

Commins warned that "Climate change is happening every day, right now; its greatest impact is on vulnerable groups." Indeed, Diffenbaugh & Burke (2019) state that climate change has caused GDP per capita within the lowest income countries to decrease by up to 31%. Despite this trend, however, most people still see climate change as "something that is going to happen," Commins noted. As a result, many programs will prioritize immediate benefits to livelihoods rather than finding a way to balance livelihoods with sustainability. For example, community-led programs to support Nigerian agriculture are defined by the growth and sale of cash crops, which produce large amounts of money at the expense of environmental sustainability.

This challenge can be addressed through the explicit promotion of sustainable livelihoods. Several communities in Liberia have promoted livelihoods and sustainability simultaneously through multi-year programs that promote self-reliance using traditional and sustainable crops. This course of action would strike a balance between livelihoods and sustainability, therefore protecting livelihoods in both the short and long term.

Corruption and Elite Capture

Challenges to community-led development are not limited to program design; oftentimes, the programs can be adversely affected by elite capture of benefits. When donor agencies and NGOs work through local officials, those officials sometimes misappropriate the resources for themselves. In some communities, political elites, local chiefs, and religious leaders have previously used these programs to enrich themselves at the expense of the very people they serve. As a result, people are unable to escape poverty or achieve sustainable livelihoods.

Such exploitation of community-led development can be mitigated by more open and transparent programs. If NGOs and governments work with a wide array of community members in a very public or visible manner, then it becomes more difficult for a few people to claim all of the resources for themselves without facing backlash. Empirically, there has been a positive relationship between the number of people involved in community-led development programs and the benefits they receive.

Implementation Problems

Other challenges to community-led development can come directly from those who intend to support the communities: NGOs, governments, and donors. Scott et al (2015) furthers that

---

24 Ibid.
27 Ibid.
28 Ibid.
30 Ibid.
community-led development programs frequently face pressures from both donors and the
government to show off “quick wins.” As a result, they might push for an overly hasty policy
implementation that depletes local resources and throws the target community into chaos. For
example, the Plandero anti-poverty program in Honduras failed because its implementation
schedule and rate of return criteria incentivized the government to provide assistance based on
proximity rather than need. To combat this challenge, NGOs and communities alike must not cave
to outside pressure to speed up the process. They must remind all parties involved that results can
take time, and that rushing through implementation may only worsen the situation.

Lack of Institutional Capacity

Arguably the greatest barrier to successful community-led development programs is a lack
of institutional capacity, which can hinder the ability of the local government to carry out the policy
and avoid any of the previously mentioned challenges. A government without proper capacity
cannot fight corruption, nor can it actively target the vulnerable or pay extra to improve
sustainability. Indeed, Mansuri and Rao (2004) note that “the sustainability of community-based
initiatives depend crucially on an enabling institutional environment.” Similarly community
groups working on livelihood issues need proper training on a range of issues - technical as well as
administrative.

This challenge can be remedied through the promotion of capacity development which is
defined as “the process by which individuals, organizations, institutions and societies develop
abilities to perform functions, solve problems, and set and achieve objectives.” Localities may lack
the technical capacity or knowledge to effectively implement development initiatives; efforts such
as training civil servants, community groups and leaders, disseminating knowledge, and improving
efficiency would counteract these problems.

Conclusion & Recommendations

Governments, NGOs, institutions, and civil society must be made aware of community-led
development and its potential to revolutionize international development practices around the
world. It allows policies to be customized to the needs of each community, it promotes effective
targeting of marginalized groups, and it psychologically empowers community members to fight for
their own development. Through a combination of these factors, community-led development can

induce change on a systemic and institutional level. However, these same actors must also be made aware of the challenges that community-led development can face: if designed and implemented poorly, it can be exclusive of marginalized groups, unsustainable, corrupt, and utterly ineffectual. Governments, NGOs, and civil society must therefore plan community-led livelihoods programs around these problems.

- Development organizations should actively work with local partners to promote inclusivity and pursue “forgotten” groups within the communities. These groups often include, but are not limited to, people with disabilities, LGBTQ+ people, the urban poor, ethnoracial minorities, and linguistic minorities. In order to do this most effectively, local governments should earmark funds or design specific initiatives for these groups; otherwise, the desired benefits might not be fully realized.
- Regarding the challenge of sustainability, communities should shift away from consumption-based models of production, instead emphasizing traditional and sustainable practices. Liberia sets a strong example for other countries and communities to follow, though the specific programs would need to be tailored to each specific community.
- To limit the risk of corruption, communities should keep their livelihoods programs open and transparent to ensure maximum accountability.
- The potential for implementation problems can be overcome by refusing to cave to political pressures, and through clear messaging that change takes time. Reminding politicians and donors of the programs’ importance while still keeping their interference to a minimum is critical to ensuring program effectiveness.
- Lastly, community-led development programs must actively consider the developmental capacity of participating communities. Not only must these programs avoid stretching the resources of communities too thin, but they must actively work to enhance technical capacity and efficiency to promote sustainable and long-term growth.\(^{(36)}\)

Overall, NGOs and policymakers must continue this shift towards responsible, inclusive, and sustainable community-led development programs, especially in the context of livelihoods. If they follow the above recommendations, they can truly create a world that will, in the words of Adesuwa Ifedi, “unlock the power of communities.”\(^{(37)}\)


Bibliography


in South Asia (p. 24). Overseas Development Institute.