



Income Generating Groups in Pastoralist Areas and ‘Scaling-up’

Background

A key aspect of partnerships between government and NGOs is the capacity of NGOs to innovate and pilot new approaches, particularly community-based services and delivery systems. Lessons learned can then feed directly into policy dialogue, including options for wider application of successful small-scale approaches or ‘scaling-up’. Despite the appeal of evidence-based approaches to scaling-up, in practice the policy processes which enable or prevent the broader use of new models are rarely straightforward.



What types of information support ‘scaling-up’?

Experience with community-based projects in Ethiopia since the mid 1990s shows that at least five types of information and analysis are needed before scaling-up can be justified or supported by policy, especially if substantial financial investment is needed from donors or government (see Table 1). The relative importance and relevance of each type of information varies by technical sector, but if scaling-up is being considered, higher-level decision makers tend to prefer quantitative analysis.

Table 1. Information needs for scaling up

Type of information and analysis	Notes
Local impact on livelihoods <i>Quantitative and qualitative</i>	Has the approach achieved its expected impact in terms of livelihoods benefits? For example, did a community-based health project achieve health outcomes (improved human capital)? Did a livestock marketing group increase the financial capital of group members? Other questions include the sustainability of the benefits, especially if the main external financial or technical support is withdrawn.
Cost-benefit analysis <i>Quantitative</i>	Community-based approaches often require considerable technical or financial support from NGOs during the pilot phase. Cost-benefit analysis helps to examine economic efficiency, and the feasibility and economic rationale for scaling-up. A challenge here is that benefits related to social capital can be difficult to quantify or value in economic terms.
Policy and institutional issues <i>Qualitative</i>	To what extent does the approach complement or contradict government policy or legislation, whether formal or informal? Is the approach legal? Would formal procedures or laws need to be adapted for scaling-up and if so, are such changes realistic?
Area-based economic potential <i>Quantitative</i>	For approaches which depend mainly on private sector activity, what volume of economic activity is likely to be supported in a given area? For example, how many private community-based workers can an area support? How many livestock marketing groups are needed? These types of question assume that not everyone can be a small trader, run a teashop or sell hides and skins, and that in pastoralist areas, the key financial asset is livestock not cash.
Technical capacities <i>Quantitative and qualitative</i>	Good community-based systems and services often depend on skilled and experienced development workers, who are familiar with participatory approaches. Scaling-up requires these capacities to be institutionalized, with associated incentives. Are such changes feasible and if so, what are the costs and level of technical assistance needed, and for how long?



*Not everyone can sell tea.
How many small businesses,
and of what type, can
pastoralist areas support?*

Savings and credit groups in pastoralist areas of Ethiopia

Livelihoods analyses in pastoralist areas show that while livestock rearing should continue to be the main economic activity, alternative income generation activities are needed. Many of these alternatives will probably rely on livestock in one way or another, such as processing of livestock products or fodder production. While non-livestock activities certainly take place and there is some potential for growth, pastoralist areas will only support a certain volume of trade or service provision. Livelihoods analysis also shows that women in pastoralist areas are an important vulnerable group, with lower levels of health and education, and fewer economic opportunities. With these issues in mind, it makes sense to test income generation approaches in pastoralist areas and examine the options for scaling-up. In Ethiopia, NGOs have been establishing and supporting income generation groups with variations in methodology, but with common overall aims which include livelihoods diversification and strengthening financial capital.

The evidence so far

A number of internal and external reviews and impact assessments have been conducted on income generation groups in pastoralist areas of Ethiopia, with a focus on local-level modalities for making the groups function and measures of changes in financial and social capital. This evidence on local impacts can be summarized as follows:

- Financial capital: the results are mixed, with some reports of financial benefits to group members, and other reports showing limited changes in the financial capital of member compared to non-members.
- Social capital: different report show consistent, positive impact on social capital due to, for example, the social benefits of group membership.
- Human capital: impact is evident when literacy training is part of the capacity-building approach; there is strong demand from women for literacy training.

Outstanding information needs

Referring to Table 1, there are at least four outstanding sets of information and analysis which are required prior to scaling-up. These are: cost-benefit analysis; analysis of policy constraints and opportunities; area-based economic scenario analysis; and assessment of the technical capacities required for scaling-up. As much of the impact so far seems to relate to social and human capital, should approaches be reshaped to focus on these objectives? If so, what are the implications in terms of external costs, modalities for group formation and support, and other issues?

Further reading:

- Griffith, M. (2008). *PLI/ENABLE IGA Harmonization Assessment*. CARE/USAID, Addis Ababa.
- Tezera, S. et al. (2008). *Successful Implementation of Collective Action and Human Capacity-building Among Pastoralists in Southern Ethiopia: Lessons Learned 2001-2008*. Research Brief 08-03 PARIMA, December 2008, GL-CRSP.
- Steglich, M. (2009). *Participatory impact assessment of women income generating groups under CARE intervention in Borana, Ethiopia*. CARE, Addis Ababa.

Issues for policy makers

- If the main aim of income generation interventions is to increase financial capital among members, internal assessments by NGOs show some financial gains e.g. from livestock marketing. However, its also likely that only a certain number of livestock marketing groups can function in a given area. Other external assessment show limited gains in financial capital of group members.
- Clear gains in social capital and human capital are evident from different assessments – should the approach focus on these benefits, and if so, what are the cost savings and other implications?
- Cost-benefit analysis is needed, especially if scaling-up is being considered. There are opportunities for government, NGOs and others to conduct such analysis. It will require economic values to be assigned to social and human capital benefits.
- While scaling-up of current models assumes that far more people could become engaged in alternative economic activities, area-wide analysis of economic opportunities is limited.

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