

Livelihood asset

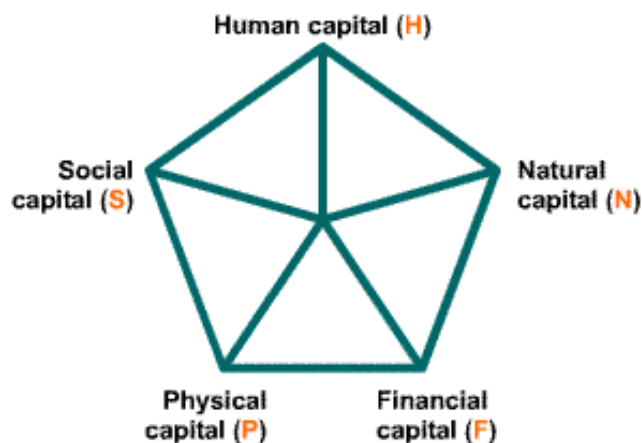
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Concept

- These are the basic building blocks upon which households are able to undertake production, engage in labour market, and participate in reciprocal exchanges with other households (Ellis 2000)
- A livelihood becomes sustainable when a family or a community has sufficient assets and the capability to use them to create a life free from hunger, disease, illiteracy and all the other factors associated with poverty.
- “Assets may be described as stocks of capital that can be utilized directly, or indirectly, to generate the means of survival of the households or to sustain its material well-being at differing levels above survival.” (Ellis, 2000)

Asset pentagon

- The shape of the pentagon can be used to show schematically the variation in people's access to assets.
- The centre point of the pentagon, where the lines meet, represents zero access to assets while the outer perimeter represents maximum access to assets.



Types of assets:

According to SLA framework there are five types of assets. These are as follows:

1. Human capital
2. Natural capital
3. Financial capital
4. Physical capital
5. Social capital

1. Human capital

- Human capital refers to the labor available to the household: its education, skill, and health (Ellis, 2000).
- Fisher community human capital: skilled fishermen, skilled fish dryers, educated children, literate adults, existing knowledge/expertise, good health etc.

1.1 Importance of human capital

- Human capital (skills, knowledge, capacity of labour and good health) are most important to pursuit of livelihood strategies.
- Usually, human capital is required in order to make use of any other types of assets.
- It is necessary for the achievement of positive livelihood outcomes.
- If the human capital is strong of a person, obviously he will be able to show better performance in his profession and thereby he will get higher income and food security.

1.2 Enhancement of human capital

Through change in social and state policies

Direct support

Training, advice, motivation, access to credit etc. by different organizations

Indirect support

Creating awareness, encourage participation, group formation, empowerment etc.

2. Natural capital

- The natural resources that can be exploited to support livelihoods (e.g. land, water, fish stocks, wildlife, biodiversity, environmental resources)
- Fisher community financial capital: the sea, rivers, lakes, land, floodplain, fish etc.

2.1 Importance of natural capital

- Natural capital is very important for livelihoods, which come from resource-based activities like farming, fishing, gathering in forests, mineral extraction etc.
- The help of the environmental services and food produced from natural capital are essential to the all people.

2.2 Enhancement of natural capital

More secure access to, and better management of, natural resources (distribution of public ponds/canals/other waterbodies, policy for waterbody use etc.).

Direct support

To conserve resources and biodiversity through technology and direct action.

Indirect support

Environmental legislation and enforcement mechanisms, support to market development etc.

3. Financial capital

- Financial capital refers to stocks of money to which the household has access.
- It includes flows as well as stocks and it can contribute to consumption as well as production.
- Financial resources (whether savings, supplies of credit or regular remittances or pensions and even in some cases other assets that can be converted into cash) are helpful to enable people to pursue different livelihood options.
- Fisher community financial capital: cash, jewellery, savings, credit systems, livestock etc.

3.1 Importance of financial capital

- It has versatile use
- It can be converted into other types of capital.
- It can be used for direct achievement of livelihood outcomes – for example when food is purchased to reduce food insecurity.
- it is the least available to the poor for which they find less access to use/get other capitals
- Misuse of this capital results in negative effects on other capitals.

3.2 Enhancement of financial capital

More secure access to financial resources may be implemented by direct and indirect support to asset accumulation

Direct support

- Micro credit programme may be taken for the poor fishermen households.
- Remittance may be provided to fishermen households

Indirect support

Can be done through Transforming Structures and Processes; suppose:

- Support to the development of financial services organizations (savings, credit, insurance)
- Extending access to financial services organizations
- Reform of financial sector (legislation/regulation)
- Support to develop marketing

4. Physical capital

- Infrastructure like building, irrigation canals, roads, tools and machines for production and so on are physical assets
- *Fisher community physical capital:* landing site, roads, housing, school, clinic, meeting place, ice plants, latrines etc.

4.1 Importance of physical capital

- Lack of particular types of infrastructure is considered to be a core dimension of poverty. Without adequate access to services such as water and energy, human health deteriorates.
- Physical capital such as infrastructure is only an asset that facilitates improved service provision to enable the poor to meet their needs.
- Better domestic infrastructure is often a core component of well-being.

4.2 Enhancement of physical capital

The better access to basic and facilitating infrastructure may be implemented

Direct support

- Service provision (e.g. development of intermediate means of transport)
- Infrastructure provision (e.g. pumped wells and latrines)

Indirect support

- Support to the development of private sector alternatives
- Capacity building for community-based construction and management

5. Social capital

- Social capital includes networks, membership of groups, relationships of trust, access to wider institutions of society
- Fisher community social capital: social group, men's group, women's group. Religious group, political group, professional association etc.

5.1 Importance of social capital

- Relation, trust etc. creates low cost, effective and sustainable working environment
- Financial network is helpful for increasing income
- Group formation and integrated efforts are helpful to develop natural capital and to maintain physical asset

5.2 Enhancement of social capital

The more supportive and cohesive social environment may be implemented

Direct support

- leadership
- management

Indirect support

- group/network formation
- good governance