Food and Agriculture Organization of the United Nations

RURAL LIVELIHOOD MONITOR

OVERALL GOAL

Shed light on where and how poor people make a living in rural areas, to help improving their condition.

Why a rural livelihood monitor?

There's a compelling argument for developing and implementing strategies to reduce rural poverty. An estimated 75 per cent of the world's poor who are living on less than $1.25 per day reside in rural areas. Rural poverty seems to have declined significantly worldwide in recent decades. But the likelihood of being poor in these areas in developing countries is more than 2.5 times larger than in cities. And this gap has not narrowed over time.

We need to improve our understanding of the situation on the ground. Rural livelihoods are a broad concept, which stretches across a number of domains and disciplines to capture the different ways in which ecological systems, socio-economic systems, and their governance contribute to determine income generation and distribution in rural areas.

Obtaining relevant and well-organized information on rural livelihoods is crucial for promoting evidence-based policy decisions. The lack of a systematically organized data repository linking different aspect of rural livelihoods makes it difficult to effectively support decision making for reducing rural poverty and food insecurity.

To fill this gap and provide policy makers and other stakeholders with a unique platform that encompasses all relevant data and indicators, FAO is developing a Rural Livelihoods Monitor (RLM). The RLM will also support the monitoring of progress towards FAO's Strategic Objective 3, which focuses on reducing rural poverty.

Developing a rural livelihoods monitor

FAO's revised strategic framework spells out a broad strategy for ending hunger, reducing rural poverty and promoting sustainable natural resource management. To be effective, this effort needs to be accompanied by a monitoring and evaluation (M&E) framework, which requires a host of disaggregated data.

Despite the large amount of work undertaken in this area by several stakeholders, there's still a need to develop a common approach allowing consistent monitoring and evaluation of progress within countries, and across countries and regions.

The RLM will create a platform that collects and harmonizes in a comprehensive repository a wide array of indicators on livelihoods, welfare and well-being in rural areas according to standard templates.
This effort includes:

- Compiling a broad set of data available from existing sparse sources;
- Extracting data from household budget surveys, to compute indicators;
- Organizing indicators within a framework, to improve our understanding of issues and, hence speeding up policy

The Rural Livelihoods Monitor will rely on collaboration with member countries and other international organizations, including the UN Statistical Division, the World Bank, the ILO and IFAD.

MAKING A DIFFERENCE

The critical importance of adequate data and monitoring

Reducing rural poverty requires credible measurement of its multifaceted dimensions. The Rural Livelihoods Monitor will bring together data and indicators on agriculture and rural development relevant for the monitoring of rural poverty and inequalities and rural livelihood conditions more in general. Much of this information is today so sparse that it is difficult to understand where gaps are, and where more efforts are required. The Rural Livelihoods Monitor will promote evidence-based policy making, hence making a difference in terms of transparency and rationality of decisions.

IN PRACTICE

Rural income poverty will be the key impact indicator of the RLM and will be defined in accordance with impact indicators used to monitor progress towards the Millennium Development Goals (MDGs) and the Sustainable Development Goals that will be proposed by the post-2015 development agenda.

As much as possible, impacts will be identified by areas and regions within countries and by socio-demographic and economic characteristics of population groups, in particular by income quintiles, gender, age groups, ethnicity, farm size and type of employment.

The indicators of the RLM are being organized along six dimensions:

- **Social Capital:** degree of organization and empowerment of the rural population, including producer and community organizations;
- **Natural capital:** access to land, water and other natural resources and their sustainable management;
- **Knowledge capital:** access of (poor) rural producers and households to appropriate technologies and knowledge, inputs and markets;
- **Access to rural infrastructure** (physical capital) and rural services (including financial and environmental services);
- **Human development** and decent rural employment opportunities in both on-farm and off-farm activities;
- **Access to social protection** and risk management mechanisms.

Further developments may include summary (composite) measures of vulnerability (deficiency in resilience) and sustainability, in its environmental, economic and social dimensions.

SCOPE FOR DOING MORE AND BETTER

Ultimately, the RLM will provide information that helps improving the well-being of rural poor people around the world. This will result as a an innovative combination of different outcomes, such as improving agricultural productivity, providing more employment opportunities and better conditions for labourers; improving access to natural resources, environmental sustainability, the quality and degree of access to rural services, rural people's social capital and their capacity to manage risks. Such outcomes, in turn will be influenced by incentives to invest and to devise more effective policies and programmes.