

Living Income Webinar Series

Living Income and Standards Systems: Introducing living income

27 February 2020



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Today's webinar presenters



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Cocoa, Ghana © Kate Fishpool for Fairtrade

3-part webinar series

Designed for Standard Systems

WEBINAR 1

Living Income and Standards Systems: Introducing living income

27 February 2020,
14:30 - 15:30 GMT

WEBINAR 2

Living Income and Standards Systems: case studies and practical examples –

31 March, 14:30 -
15:30 GMT

WEBINAR 3

Living Income and Standards Systems: main challenges and cross-sectoral learning

21 May 2020, 2:30 PM
- 3:30 PM BST

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Agenda

1. Improving livelihood
2. Living Income concept & Applications
3. Strategies to close the income gap
4. Sustainability standards and living income
5. The Living Income Community of Practice

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Freshly picked coffee cherries in Caldas, Colombia © Sean Hawkey for Fairtrade Max Havelaar.jpg

A photograph of a young tree sapling in a forest. A hand is reaching out towards the sapling, which has a white plastic bag around its base. The background is filled with lush green foliage.

Improving Livelihood *Concepts & Initiatives*

Living Wage, Living Income and the **UN Sustainable Development Goals**



Living incomes and living wages are both about the income level that would enable a family to afford a decent standard of living.

A basic, decent
standard of living!



What does it mean to be able to afford a decent standard of living?

The net annual income of a household, which comes from a variety of sources, is sufficient to cover the cost of a decent standard of living for a typical household in a particular place.

What does decency mean in this context?



Living wage is an individual concept.

A **worker** earns enough in a standard work week to enable his/her family to afford a decent standard of living.



GLOBAL
LIVING WAGE
COALITION

Living income is a household concept.

Farming households earn enough in a year from all income sources to afford a decent standard of living.



The Living Income
Community of Practice

A photograph of a young tree sapling in a forest. The sapling has a small, clear plastic bag tied around its base, likely for protection or moisture retention. A person's hand is visible on the right side of the frame, reaching towards the sapling. The background is filled with lush green foliage, creating a dense forest environment. The text "Living Income Concept" is overlaid in white, bold font across the center of the image.

Living Income Concept

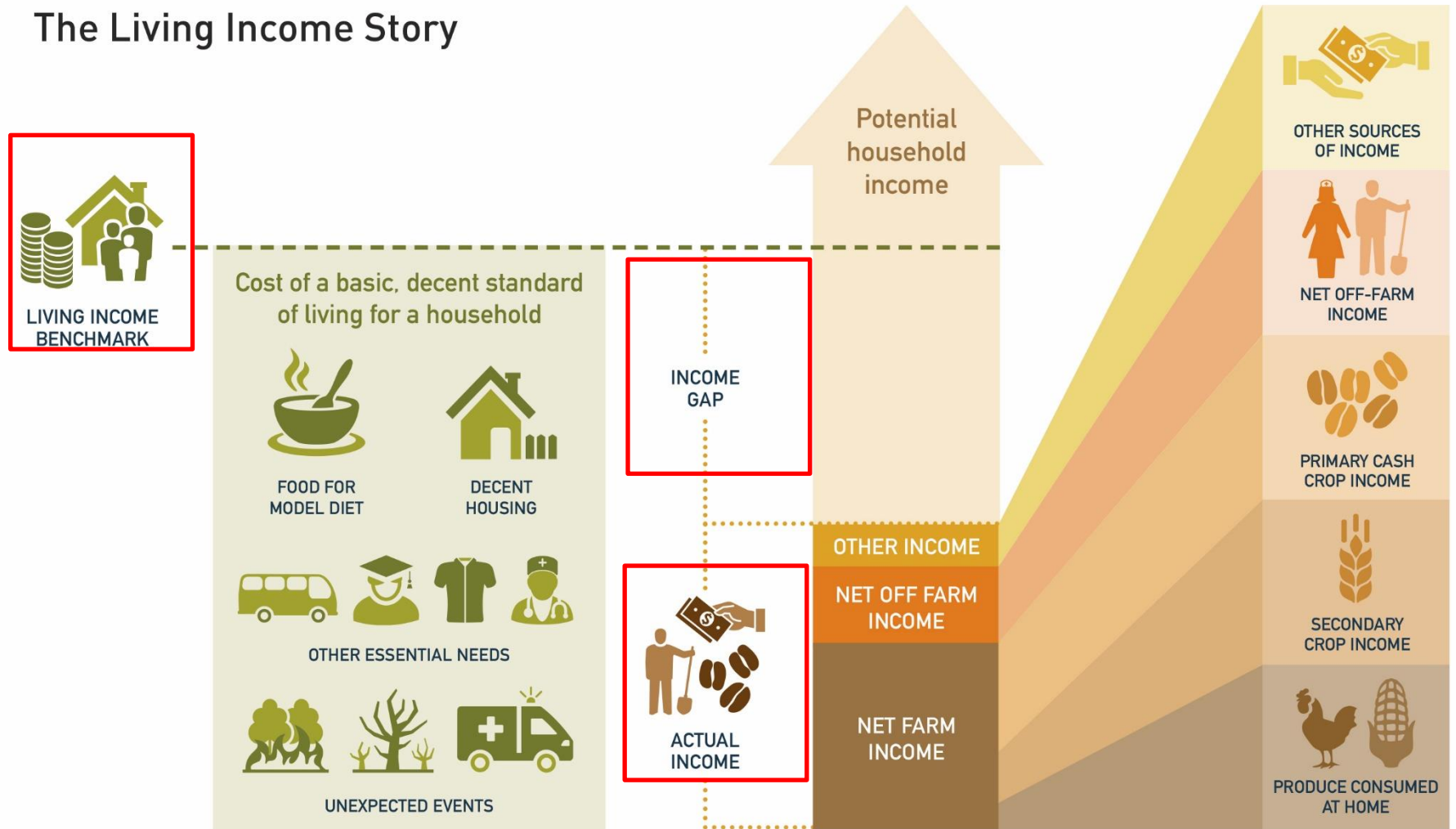
The concept goes a step beyond traditional notions of poverty alleviation that are concerned with basic subsistence and survival.

It puts a strong emphasis on the idea of **decency and earning enough income to live comfortably**.

Living Income is becoming a critical topic and discussions on this are fast gaining momentum and being prioritised.

The Living Income Story

The Living Income Story



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Living Income Benchmark



LIVING INCOME
BENCHMARK

Cost of a basic, decent
standard of living for
a household



FOOD FOR
MODEL DIET



DECENT
HOUSING



OTHER ESSENTIAL NEEDS



UNEXPECTED EVENTS

2 Key Points

- ✓ Based on households (Larger families need more resources than smaller families).
- ✓ Is specific to a particular place

For more information and to join the community

visit: www.living-income.com

Contact: livingincome@isealalliance.org

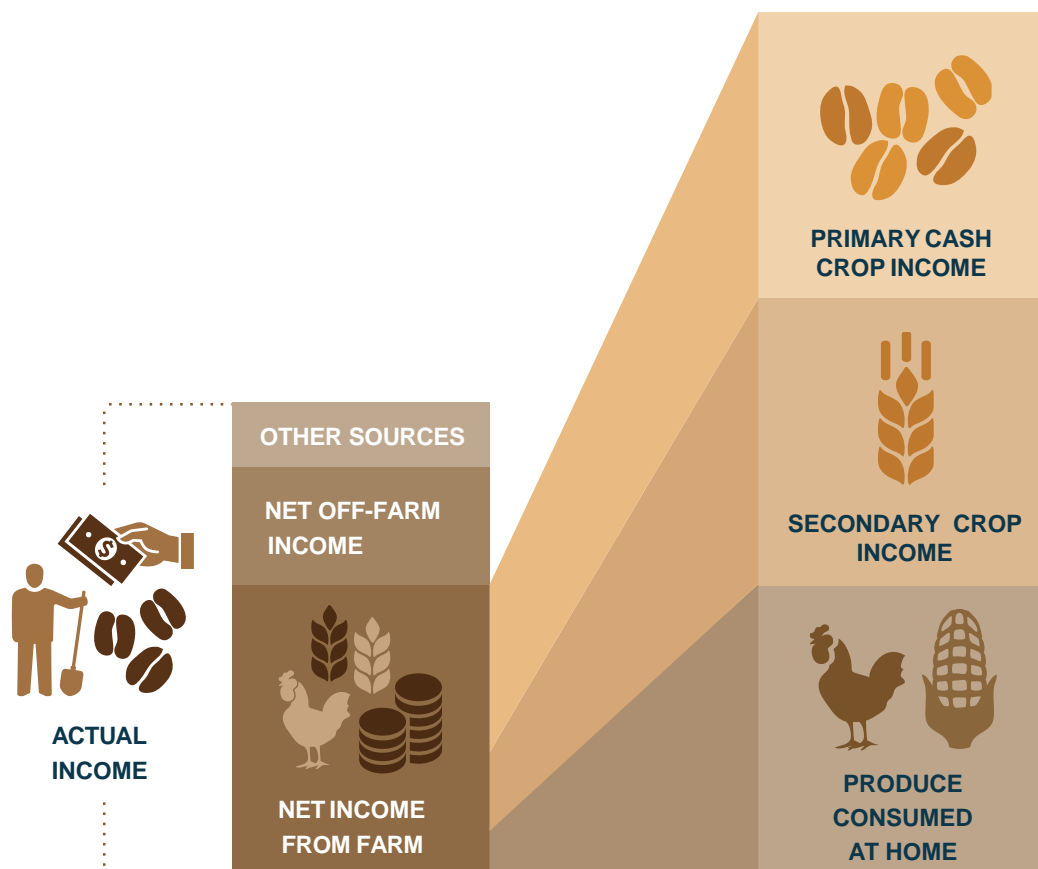
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Actual Income



Net farm income composed of:

Revenues

- **Revenue from sale of produce** – crops and/or livestock

Costs

- **Input costs** – Planting and taking care of crops (e.g. seeds, tools, fertilizers and pesticides)
- **Land costs** – rental/purchasing
- **Labour costs** – paying wages of additional labour
- **Unexpected costs** – e.g. to cover crop damage from drought or bad weather
- **Other**

All above costs could be accounted for through the reinvestment of revenues.

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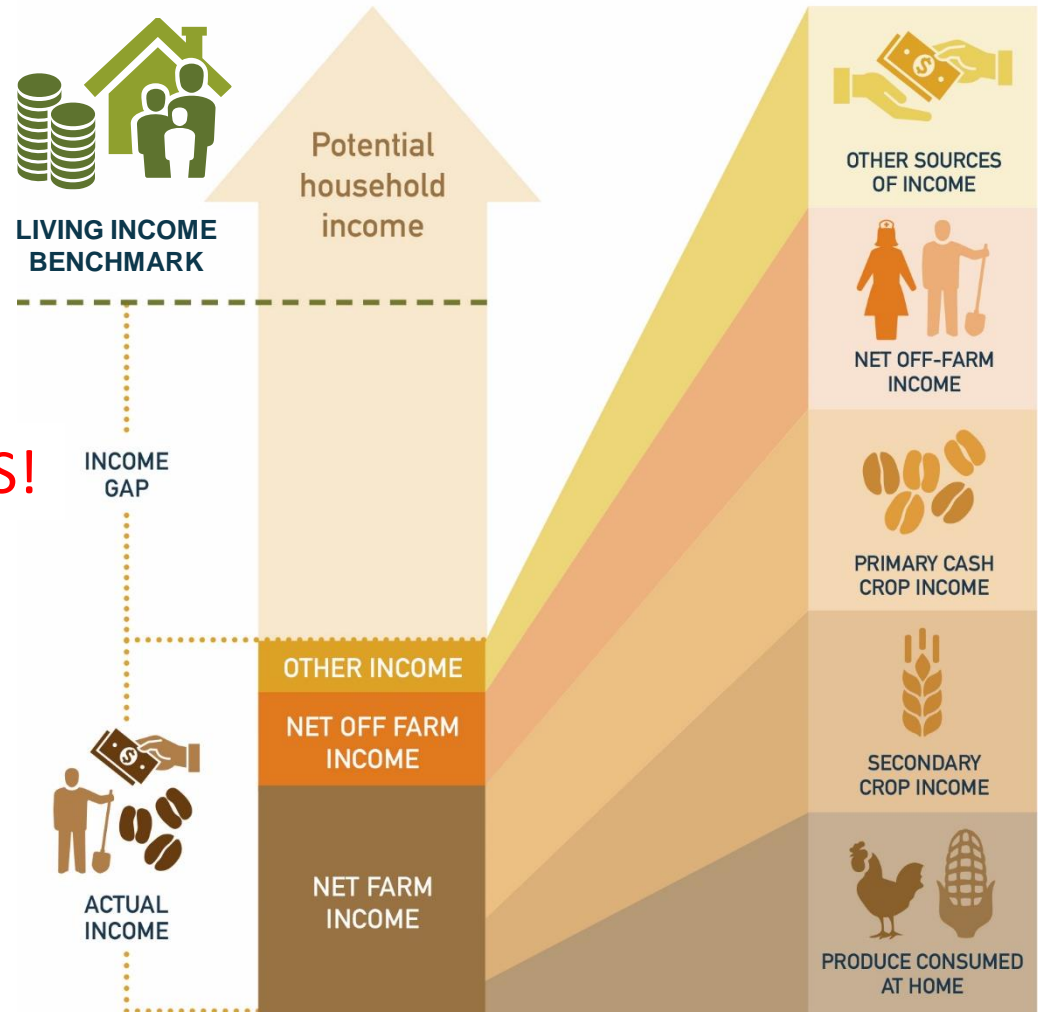


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Income Gap

IT'S THE GAP THAT MATTERS!



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Applications of Measurement

Measurement of Living Income Benchmarks & Actual Income levels

Allow us to understand if a farmer is earning a living income.

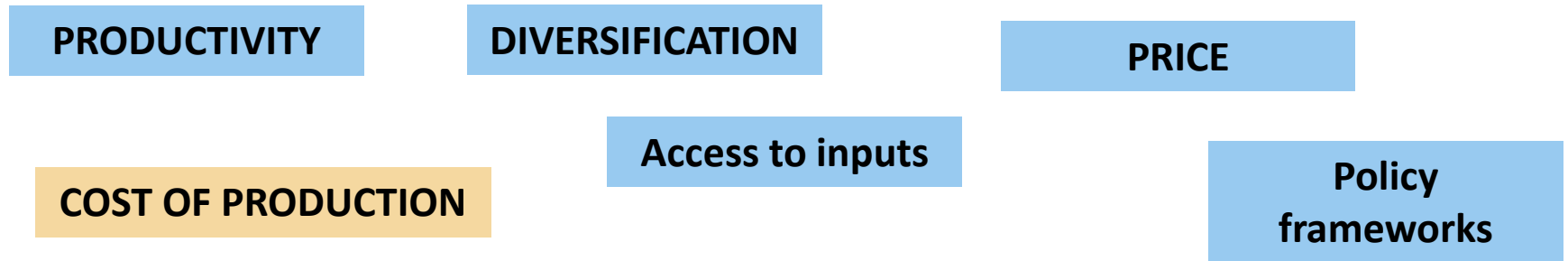
From this we can then;

- Set clear targets
 - Define intervention strategies-looking at various levers of change
 - Develop an improvement program
 - Track & monitor progress
 - Further adapt interventions
 - Achieve desired impact

A photograph of a young tree sapling in a forest. A hand is reaching out towards the sapling, which has a white plastic bag around its base. The background is filled with lush green foliage.

Strategies to Close Income Gap

Variables that influence income?



**Other interventions at a public sector level, regulatory, consumer, supply chains also need to be considered*

There needs to be a Smartmix of Solutions rather than isolated single pathway interventions. Some examples are as follows;

- ✓ Knowledge sharing & capacity building
 - ✓ sustainable agricultural practices
 - ✓ Cost efficient farm & resource management
 - ✓ Strengthening climate resilience of farms (through climate adaptation practices)
- ✓ Farmer organization
- ✓ Sector alignment
 - ✓ Organization & delivery of technical services
 - ✓ Organization & delivery of financial services
- ✓ Price and procurement practices
- ✓ Incentives

How do we know if our work is actually improving income?

We need to track, verify and monitor progress over time!

What do we need to demonstrate credible progress?

- ✓ Clear and well defined measurement indicators
- ✓ Data collection & analysis
- ✓ Verification & monitoring over time
- ✓ Robust assurance system

Sustainability Standards Systems, one piece of the living income puzzle



Sustainability standards systems are well positioned to help close the income gap for smallholder farmers

Impact monitoring, evaluation and learning

Sustainability platforms



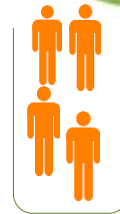
Supply chain actors



Capacity building



Traceability system

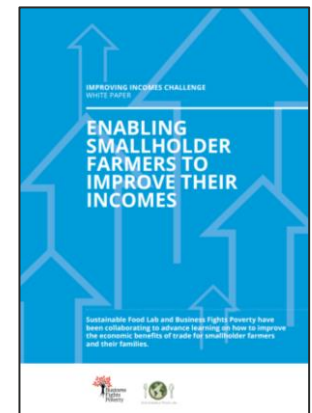


Accreditation

Assurance system



Sustainability standards as part of an ecosystem of actors



Source: Adapted PBL

Where Standard Systems Influence Change

STANDARDS

STRATEGIES

**Criteria for good
practices**

Convening

Advocacy

Capacity building

Assurance

**Knowledge
development &
sharing**

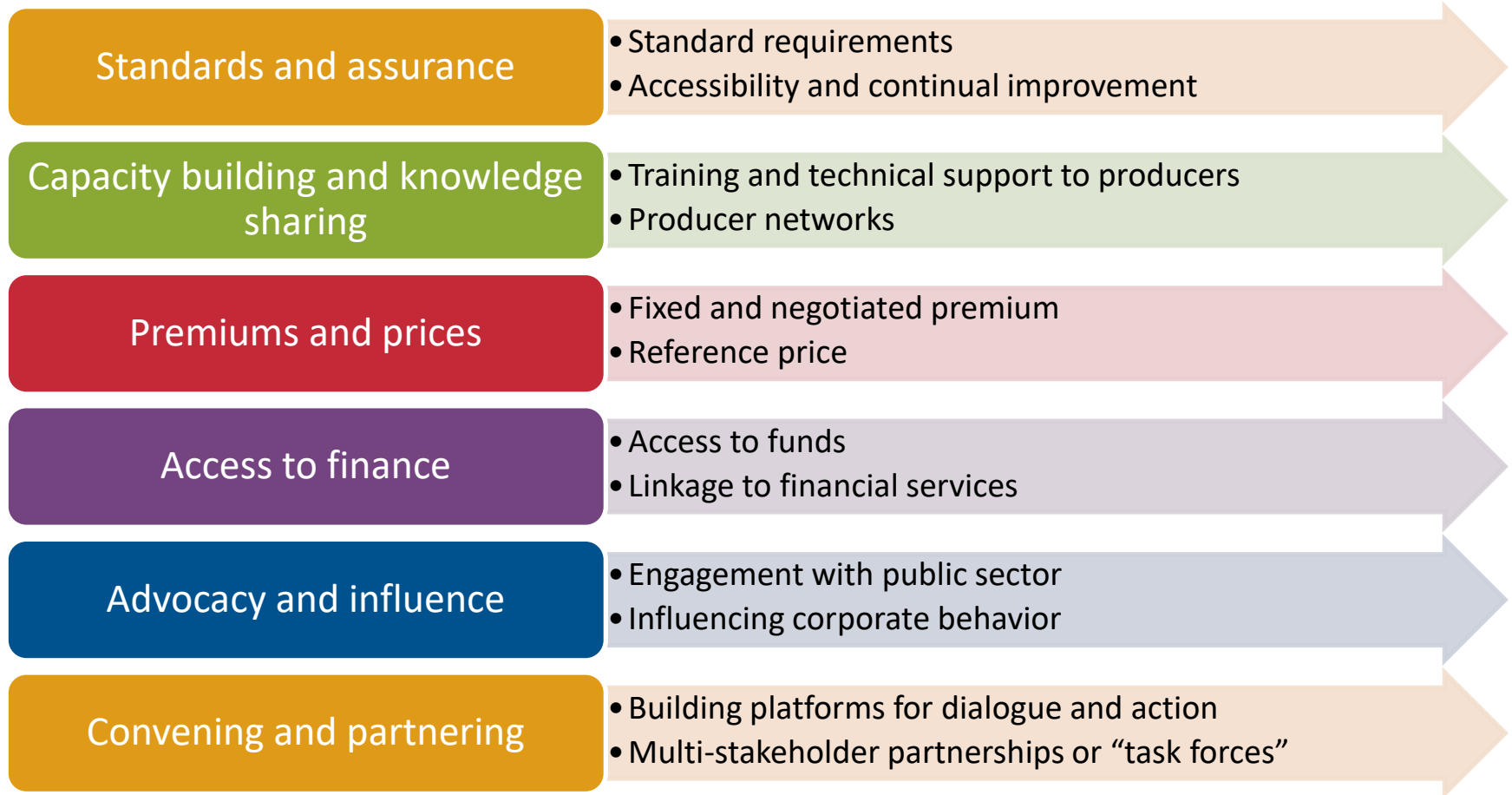
**Creating
awareness**

M&E System

**Supporting
investment**

Strategies to close the income gap

From the perspective of standard systems



Useful references for Standard Systems

Webinars- Standard systems related

(Fairtrade) Income and pricing approaches <https://vimeo.com/159377531>

(Rainforest Alliance) Household economy approach <https://vimeo.com/193393633>

(Sustainable Food lab): Stakeholder levers for addressing income gaps
<https://vimeo.com/242544743#at=597>

(ISEAL): Role of sustainability standard systems in living income strategies
<https://vimeo.com/276002596>

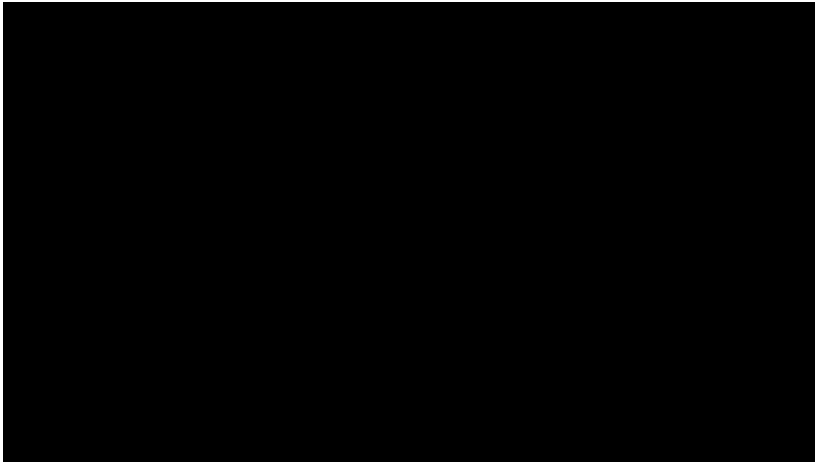
(Textile exchange): A guide for organic cotton trading models
<https://vimeo.com/301811774>

(Fairtrade and UTZ): Coffee and Living Income <https://vimeo.com/349908773>

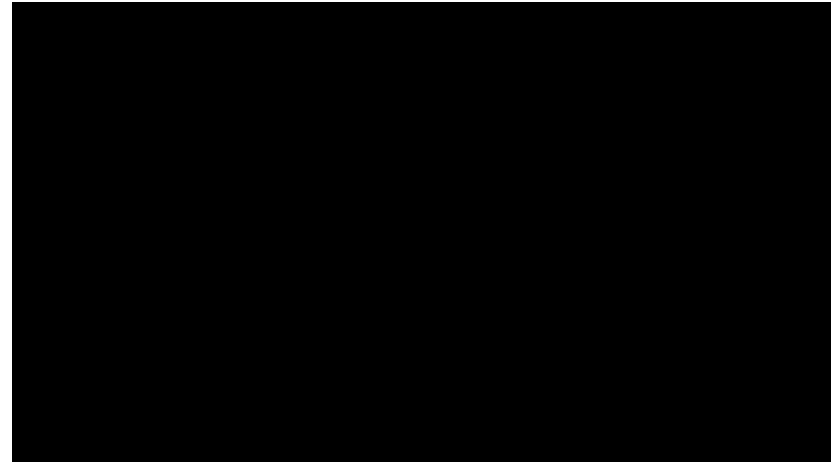
To share or feature your work on living income,
contact us at www.living-income.com

Other resources

The Concept of Living income



Applications of a living income benchmark



A photograph of a lush green forest. In the center, a young tree sapling with a white plastic bag around its base is being pointed at by a human hand from the right. The background is filled with various green leaves and branches, creating a dense, natural setting. The lighting is soft, suggesting a shaded forest environment.

Living Income Community of Practice

Working together to drive a living Income



The Living Income Community of Practice Objectives



Increase understanding
of living income
measurement and the
income gap



Identify and discuss
strategies for closing
the income gap



Share learning and
facilitate collaboration
between actors

Living Income Community of Practice is an alliance of partners dedicated to the vision of thriving, economically stable, rural communities linked to global food and agricultural supply chains.

For more information and to join the community

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Some of the organisations participating in the activities of this Community of Practice



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Navigating through Living Income

Awareness

- Understand the definition and concept of Living Income in this tutorial [The concept of living Income](#)

Communicating

- Communicate on the topic of Living Income through our [Living Income Infographics](#).

Broaden knowledge on key topics

- Visit our [Resources](#) page where we discuss both measurement of LI and strategies to close the income gap. (webinars, podcast, blogs, articles, papers).

Developing strategies

- For companies looking to develop to your strategy: Toolkit

Who is working on what

- Visit [Align](#) website that supports agri-businesses build understanding on living wage and living income as well as a source map for on-going projects.

Join the conversation

- Join our LinkedIn group
- Join our working group

Have your say

- Share your initiatives
- Lead/Co-lead a topic-webinar, working group. Email us livingincome@isealalliance.org

A photograph of a rose bush in a greenhouse. The focus is on a single green rose bud with a yellow tip in the foreground. The background is filled with many other similar bushes and buds, slightly out of focus. The greenhouse structure is visible in the far background.

Questions?

Community of Practice Updates

Webinar | Living Income and Standard systems: case studies and practical examples - Tues, March 31 / 2:30 PM - 3:30 PM BST

Register

here: <https://register.gotowebinar.com/register/9027009560736854531>

Webinar | Living Income and Standard systems: main challenges and cross-sectoral learning - Thu, May 21 / 2:30 PM - 3:30 PM BST

Register

here: <https://register.gotowebinar.com/register/8266181599176436483>

[Event | Living income Workshop 2020](#)

The Living Income Community of Practice will host our next in person workshop with the aim of facilitating conversation and driving for greater action and impact for farmer livelihoods. Find out more about the event:

<https://www.living-income.com/living-income-event-2020>

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A freshly-opened cocoa pod, Nicaragua © Sean Hawkey for Fairtrade International

Stay informed!

Living income

www.living-income.com

Mailing list: <http://eepurl.com/gMKLgT>

Linkedin group:

<https://www.linkedin.com/groups/13784101/>

Living wage

<https://www.globallivingwage.org/>

Questions? Email us at:

livingincome@isealalliance.org

TOOLS to support organisations in developing their strategies to closing the income gap.

ALIGN is a guidance tool for agri-food companies aiming to reduce complexity around the topic of living wage and living income.

Evidensia is an evidence platform that aims to make it easy for sustainability practitioners to work with evidence on the impacts of supply-chain sustainability approaches.

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Tobago hillside © Jerry Rabinowitz, 2002, Rainforest Alliance

Thank You!

