

Living Income Community of Practice

State of Play 2021 webinar series

The Living Income Community of Practice



Living income webinar: Advancing living income in non-agricultural space

2 March 2022

14:00-15:00 BST (GMT +1)

Today's Facilitators



Sheila Senathirajah
Senior Manager, Innovations
ISEAL



Maeve Millwood
Coordinator, Communications
ISEAL

Housekeeping Rules

THIS SESSION IS BEING RECORDED

- A link will be shared post this webinar
- A copy of the slide deck and recording will be available on our website within 2 weeks.

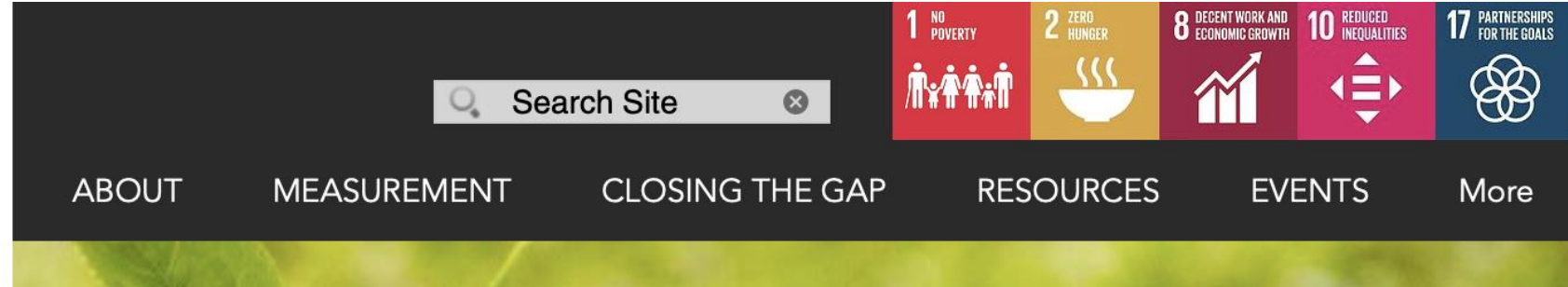
HOW CAN I ASK A QUESTIONS/COMMENT?

You will be kept muted throughout main session so,

- Raise your virtual hand (organizers shall unmute you)
- Type your question on the question box

TECHNICAL DIFFICULTIES ? Reach out to liliana@isealalliance.org

The Living Income Community of Practice



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.

The Living Income

Community of Practice



Support Resources for Community

Concepts, Definitions

[The Concept](#)

[Applications](#)

[Living Income and the SDG's](#)

Resources

[Graphics](#)

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[Papers & Reports](#)

[Recorded Webinars](#)

Measurement

[Measuring Living Income](#)

[Actual Income](#)

[Living Income Benchmarks](#)

[Living Income Proxy](#)

Events

[Upcoming Events](#)

[Previous Events](#)

Closing the Gap

[Cases and Collaborations](#)

[Roles of Different Actors](#)

[Leveraging Improvement](#)



Agenda

10 min - Living Income Concept

10 min - Artisanal & Small-Scale Mining Sector

20 min – Discussion: Can we adapt the existing Living Income concept to non-agriculture-based sectors?

What are elements that need to consider?

10 min – Q&A / Sharing space

5 min – Close



Today's guest speakers



Amayelee Dia
**Reporting Coordinator, DRC Child
labour in Mining
(PACT)**



Jessica Grillo
Principal, Heartwood LLC
*(CSR consultant, Serves on the Technical Advisory
Committee of the LICOP)*

Living income concept



What is Living Income

Living income is about the income level that would **enable a family to afford a decent standard of living.**

A basic, decent standard of living!



› Living income is a **household concept** vs a concept that refers to an individual.



ian coffee farmer and wife © Rainforest Alliance

Relevance of Living Income

Secure human rights

- Life in decency
- No slavery
- Right of a fair remuneration



Universal Declaration
of Human Rights

UN Guiding Principles

NAP

OECD-FAO Guidance

Promote sustainable development

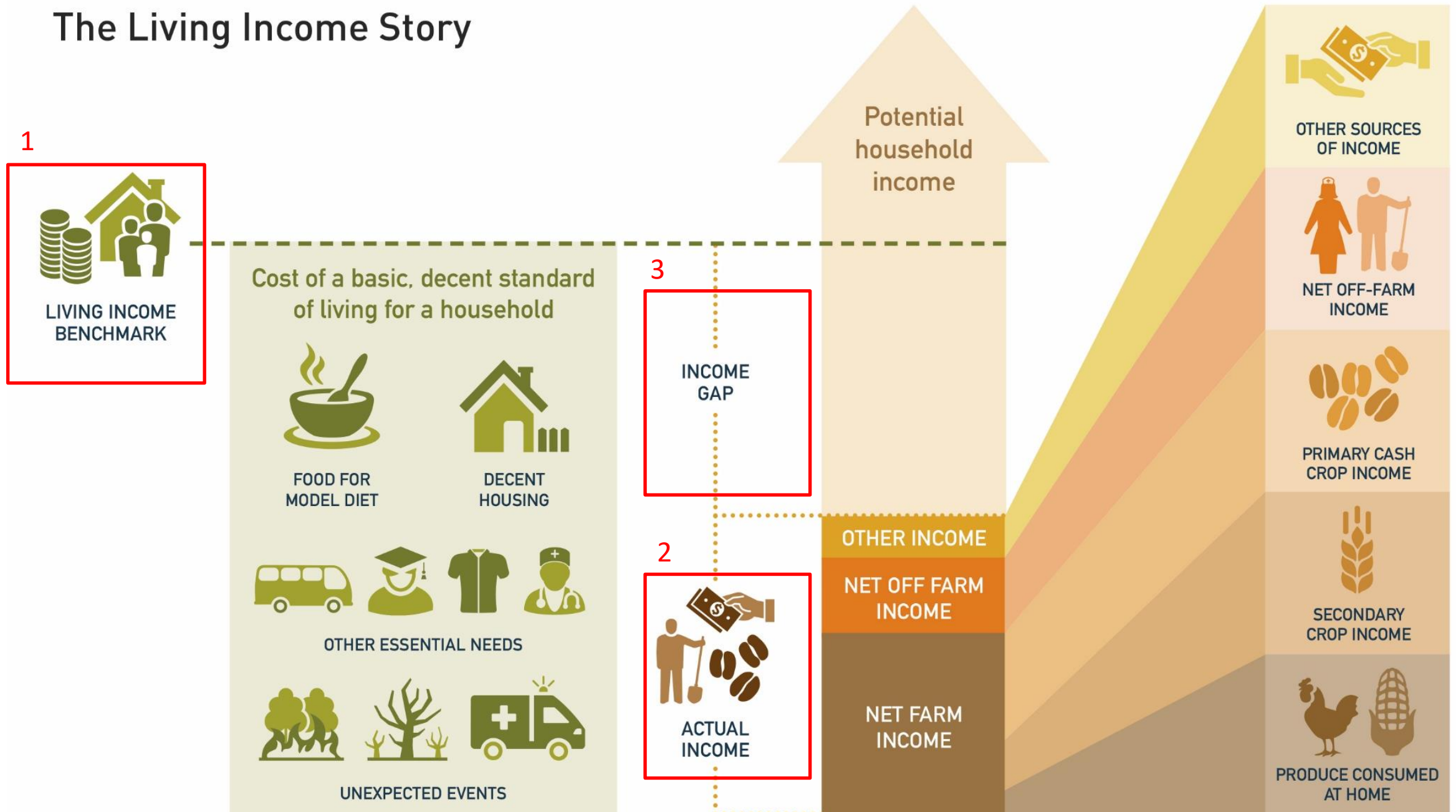
- Fight poverty & hunger
- Eliminate child & forced labour
- Reduce inequality (including between genders)
- Protect natural resources



Secure raw material supply & quality

- Support farmers to **invest in their farms** and **diversify** their income sources
- Promote agriculture as an attractive **employment sector** for the youth

The Living Income Story



Living Income Benchmarks: *High Level breakdown*



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

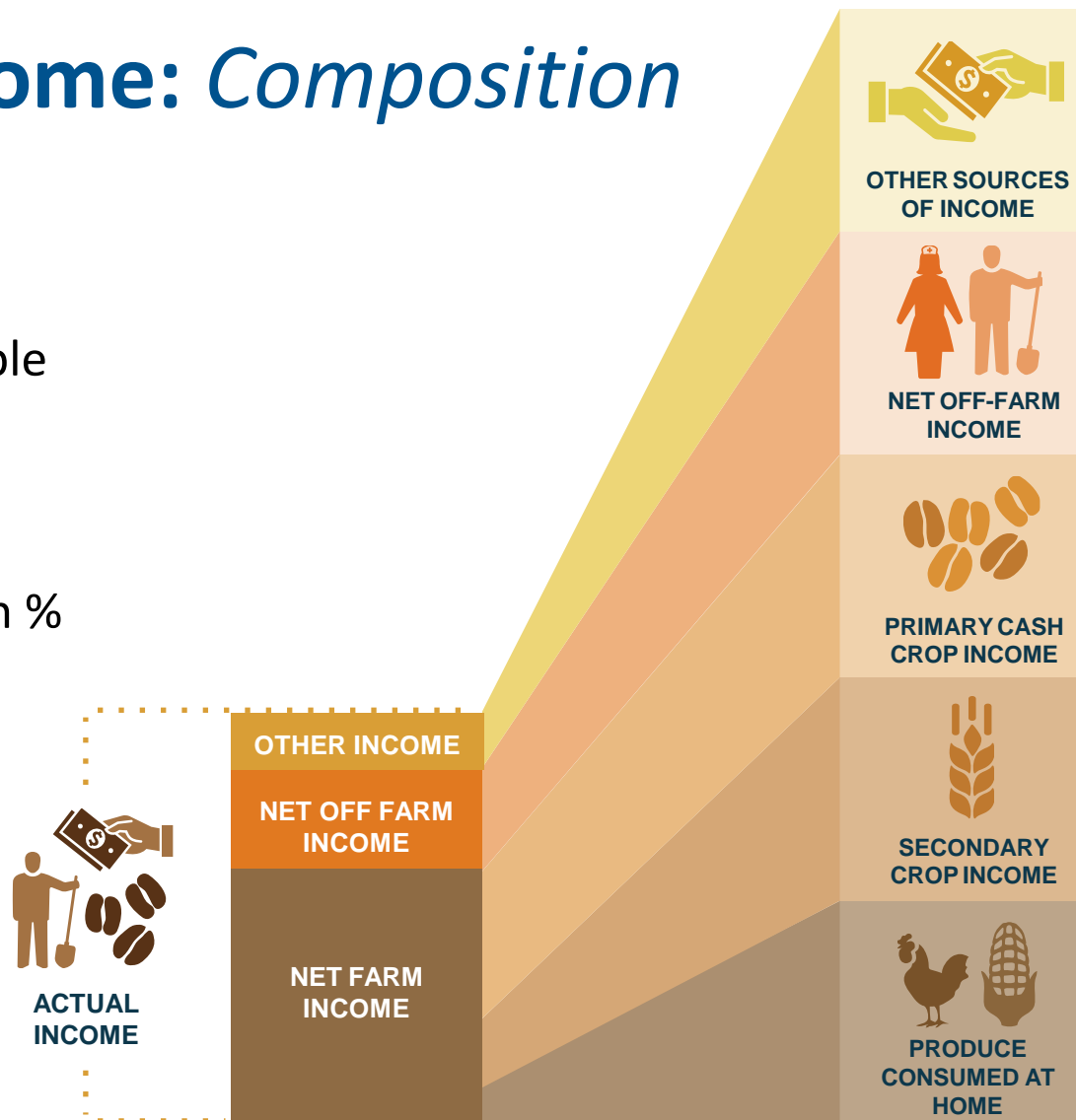
2 Key Points

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

Actual Income: *Composition*

2 Key Points

- ✓ Made up of multiple components
- ✓ Primary crop only makes up a certain % of total income



Net farm income composed of:

Revenues

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

Costs

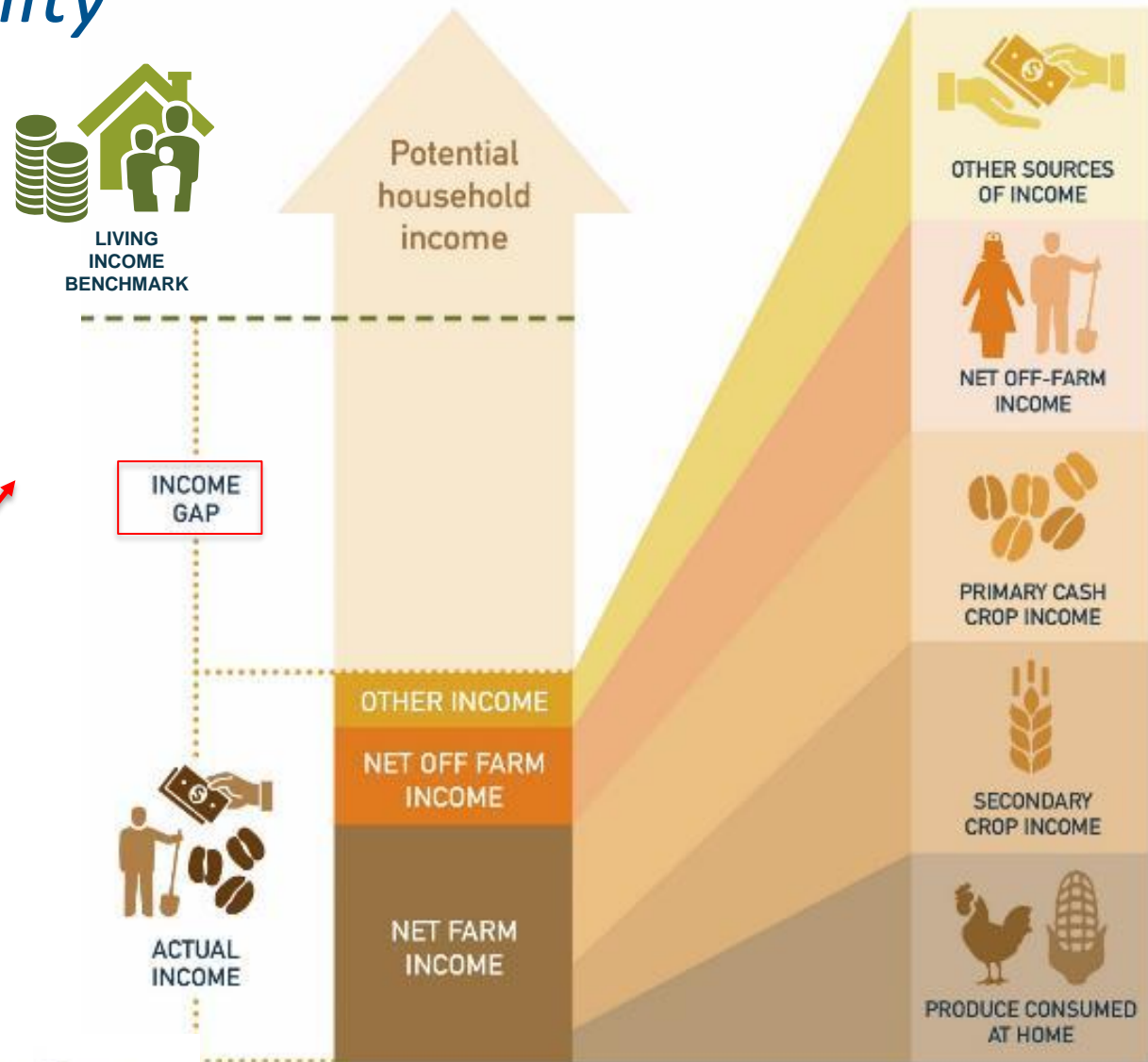
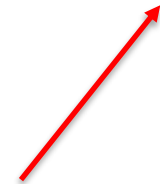
- **Input costs** – Planting and taking care of crops (e.g. seeds, tools, fertilizers and pesticides)
- **Land costs** – rental/purchasing
- **Labour costs** – paying wages of additional labour
- **Unexpected costs** – e.g. to cover crop damage from drought or bad weather
- **Other**

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

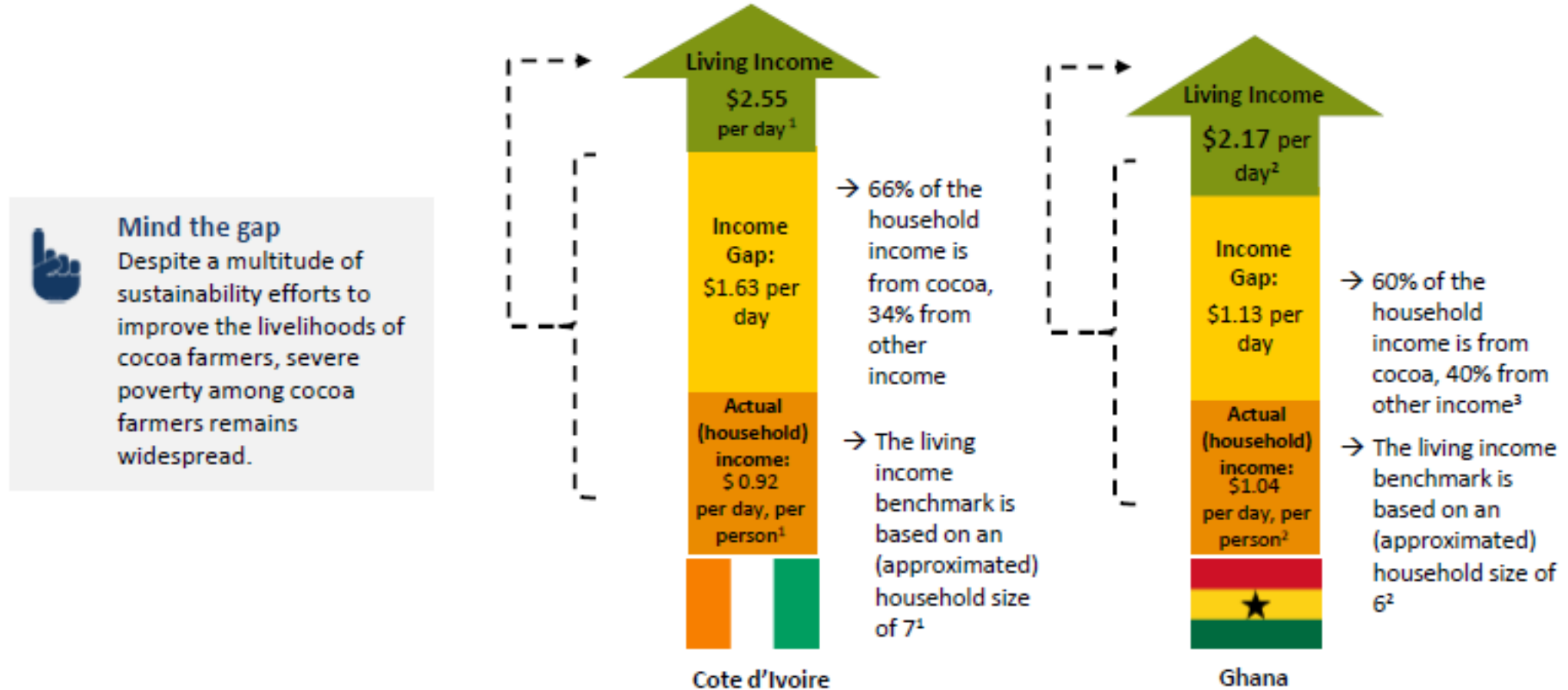
Income Gap: *The reality*

IT'S THE GAP THAT MATTERS!

Understanding how big the gap gives an indication of how far (or close) existing communities are from earning sustainable incomes



Example of Cote D'Ivoire/Ghana in cocoa sector



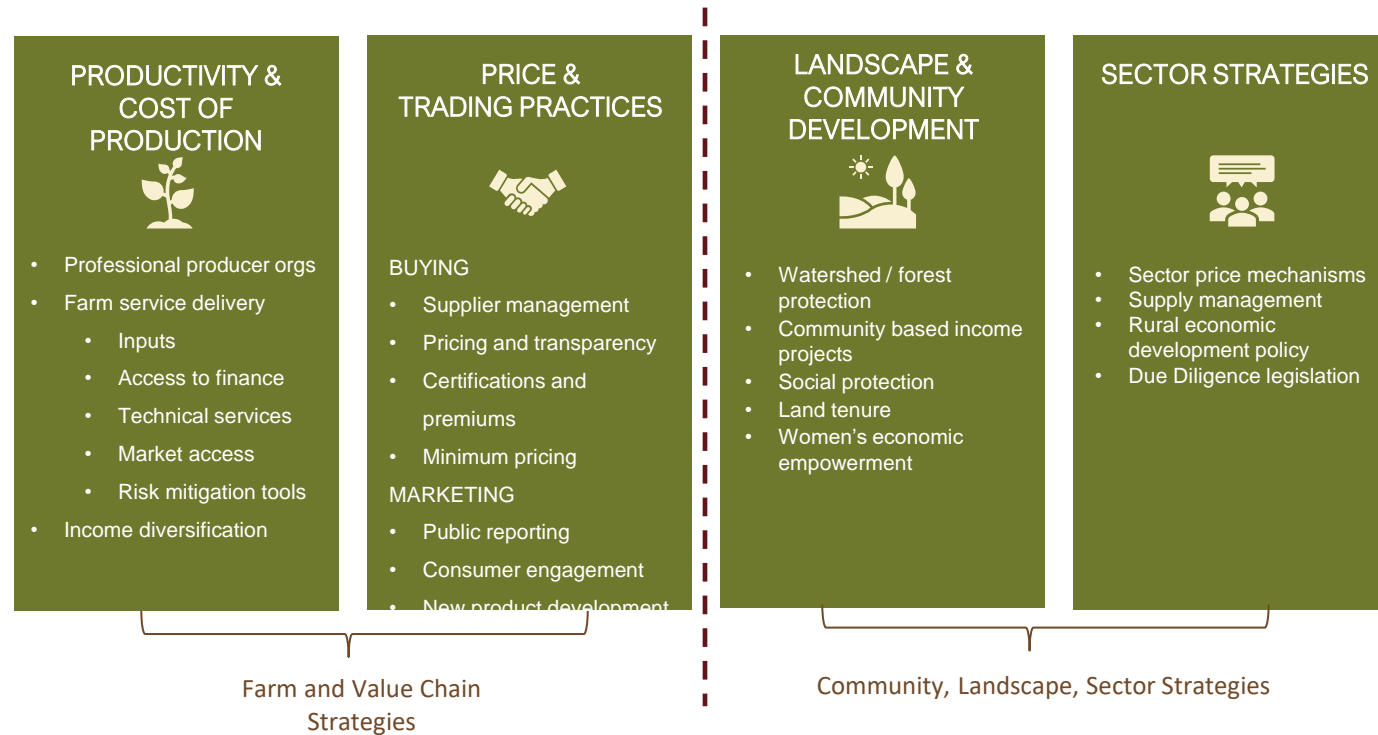
Sources:

¹ KIT (2018): Analysis of the income gap of cocoa producing households in Côte d'Ivoire: Comparison of actual incomes with the Living Income Benchmark

² KIT (2018): Analysis of the income gap of cocoa producing households in Ghana: Comparison of actual incomes with the Living Income Benchmark and economic vulnerability

Closing the Income Gap: *Smart mix of strategies*

Income cannot be looked at in isolation from other sustainability issues
Need holistic strategies that address poverty at the root level



For more information and to join the community
visit: www.living-income.com
Contact: livingincome@isealalliance.org

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Improving Living Income in ASM communities



Webinar
Wednesday 2nd March 2022



What is Artisanal and small-scale mining

Global mining sector			
	Artisanal Mining	Small-Scale Mining	Industrial “Large Scale” Mining (LSM)
			
Resource type	<ul style="list-style-type: none"> Appropriate for small, shallow resources that can be accessed manually Where capital investment for industrial-scale mining could not be recouped. 	<ul style="list-style-type: none"> Appropriate for resources where some degree of mechanization is cost-efficient. 	<ul style="list-style-type: none"> Appropriate for large-deposits that are most effectively processed using industrial mining technology.
Characteristics	<ul style="list-style-type: none"> Can be full-time, or seasonal, supplementary or occasional. Number of people may fluctuate dramatically with mineral prices. 	<ul style="list-style-type: none"> Increased financing, professionalization More likely to be legal with more formal contracts 	<ul style="list-style-type: none"> Requires significant capital investment (\$\$\$) Long start-up times Employs fewer people Usually legal and subject to standards

Key facts

- Mining operations with simplified forms of exploration, extraction, processing, and transportation: low capital intensive and high labour intensive.
- 10% of global mineral production, 90% of total global mining workforce
- 15-25% of **gold**, 80% colored **gemstones**, 50% of all **tantalum**, at least 30% of all **tin**, 25% of all **mica**, 18-30% **cobalt**.

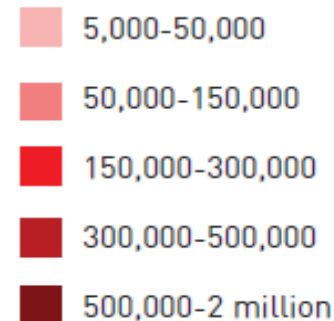
They are the world's hidden suppliers

Who are artisanal & small-scale miners?

- “Miner” is anyone who works on a mine site (from diggers to crushers to panners to transporters).
- **45 million** people across **80 countries**
- **80-90%** of ASM activities operating **informally**:
- Work individually, in family groups, in partnership, or as members of cooperatives
- 1 mine job = 6 jobs downstream
- They work onshore & offshore, surface & underground
- Globally, miners are **30-40% women**; all ages; almost all continents.
- Can be an ancient activity or relatively new ; can be active all year or seasonally.



Estimated Number of ASM per country



Which industries engage with ASM?

ASM supply a wide variety of minerals that are critical to modern communication technologies, low carbon and clean energy technologies, and luxury jewelry goods



Overview of issues affecting living income

Informality:

- Lack of access to legal artisanal exploitation areas (ie. DRC, Mali)
- Absence of technical and financial support for mine site improvements and OHS training for miners (low productivity; dangerous mining techniques; no protective equipment)
- Injuries, fatalities and recurring illnesses which have an impact on HH revenue

Conflict

- Armed group control, mafia activity, community-company social and economic conflicts, resource conflicts (ie. DRC/Colombia)

Unstable and unpredictable income:

- research phases are little or not paid; revenues depend on the quality of the vein and seasonality
- little knowledge on the price determination mechanism and on the true value of minerals: weight, grade, humidity, etc

Gender

- Gender-based violence at mine site
- Stigmatization of women in certain mining activities/harmful effect of legislations which initially seek to protect women (ie. DRC forbidding pregnant women from entering mine sites, but not compensatory measures)

Environmental degradation, including mercury use

Child Labor



Root causes of child labor in mining

- **Difficult family situation:** Unemployment, family breakdown, large families, **parental death**
- **Limited education access:** no/part-time school, exclusion from school, unmotivated teachers
- **Financial constraints:** child contribution to household income, **low household income**
- **Insufficient knowledge:** dangers of mining on children's health, children's right
- **High dependence on mining:** minimal alternative livelihoods/markets
- **Informal sector:** mine inspections and law enforcement are insufficient and inefficient
- **Absent social services and child protection :** exacerbate already serious issues
- **Proximity of mines to children's homes & households :** lack of recreational activity

Children who work with their parents

Children who work alone or with non-family adults

Older children, adolescents, and teenagers who work of their own volition



The Child Labor Supply Chain



At mine & washing sites:

- Hand-picking minerals;
- Digging, usually in pits rather than tunnels;
- Selling goods/ Caring for siblings;
- Transporting waste material, ore, and water.
- Crushing, washing, separating and selling minerals;

Boys and girls of all ages for all tasks other than digging (usually done by older boys).



At trading site/depot:

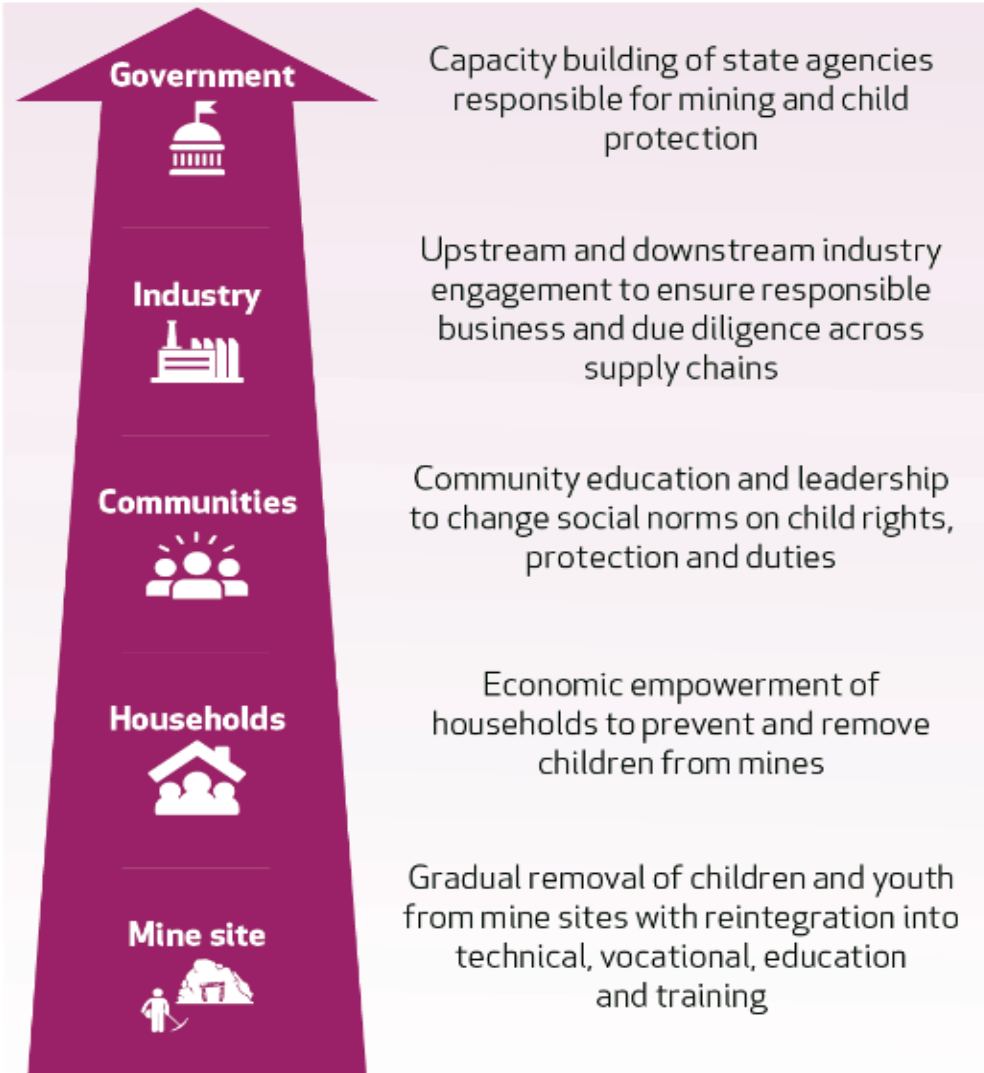
- Crushing minerals;
- Selling goods
- Washing, separating and transporting minerals;
- Operating machinery;

Some boys, usually 15 or older

- Considered a '**Worst Form**' of Child Labor (WFCL)
- **OECD Due Diligence Guidance** requires action

CHILDREN OUT OF MINING: Pact's Child Protection Programs in DRC

Tailored systemic interventions across the supply chain
from mine to market with engaged communities



What good looks like

Combination of supply chain interventions (formalization of ASM)

- Helping companies, cooperatives and traders put in place DD processes to align with national law, international regulations & Guidance
- Addressing OHS to reduce accidents
- Improving productivity to increase income
- Implementation of controls (fencing of mine sites near communities to prevent under-age access; ID cards)
- Building capacity of key actors including state agents to manage ASM and address the risk of child labor

And Socio-economic intervention in the community

- Raising awareness on child labor in the community/at mine sites
- Economic empowerment of vulnerable families (savings, access to small loans, literacy classes)
- Apprenticeship program for adolescent miners

Results

- Working conditions and health of workers improved (free health care services)
- A positive impact on the local economy, including the creation of new businesses in response to higher demand for goods & services
- Female miners participating earned about 2.5 times more than their counterparts working in mines outside the project site

Conclusion

- There are very clear, practical, and proven models to **engage directly with ASM communities** to ensure they gain **lasting benefits** from the (more) sustainable use of the natural resources around them and earn a living income
- Aim to **transform markets into a force for development**
- Must be **tailored to ASM communities** needs, realities and aspirations
- Must be carefully **thought out and implemented in collaboration with all stakeholders to the issue** (private sector, government, ASM communities, miners and HH members, etc)



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Discussion

Can we adapt the existing Living Income concept to non-agriculture-based sectors? What are elements that need to consider?



Defining the Target Group



› Living income is a **household concept** vs a concept that refers to an individual.



Q) The current LI concept refers to a household in a particular place to afford a decent standard of living for all members of that household."

- Can this also apply to those in non-agriculture-based sectors?
- Does anything need to be adapted?

Availability of Benchmarks



Benchmark are available however many of them are based on agriculture sectors. Reference: ALIGN source map maintains all updated **living income and living wage benchmarks**).

Q) A living income benchmark refers to a household in a particular place being able to afford a decent standard of living for all members of that household."

- Can existing benchmarks be used by other sectors that exist in the same area? What are considerations for use?

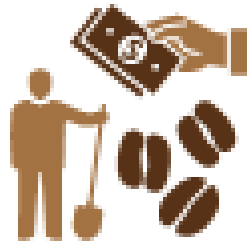
Commodities

- ☒ All commodities
- ☐ Bananas
- ☐ Cocoa
- ☐ Coffee
- ☐ Floriculture
- ☐ Tea
- ☐ Textile & garment

Country

Argentina
Bangladesh
Belize
Brazil
Burkina Faso
Cameroon
Chile
China
Colombia
Costa Rica

Tools for Actual Income Measurement



**ACTUAL
INCOME**

Several methods can be used to measure the different elements of actual household income:

- Farm level household recall surveys
- Farmer field book assessments and record keeping
- Mixed methods frameworks
- Focus group discussions and expert interviews
- Secondary data sourcing, extrapolation, and modelling

Q) When measuring actual incomes, there has been a lot of work done to develop methodologies and surveys to adequately establish the income streams for the farmers of interest?

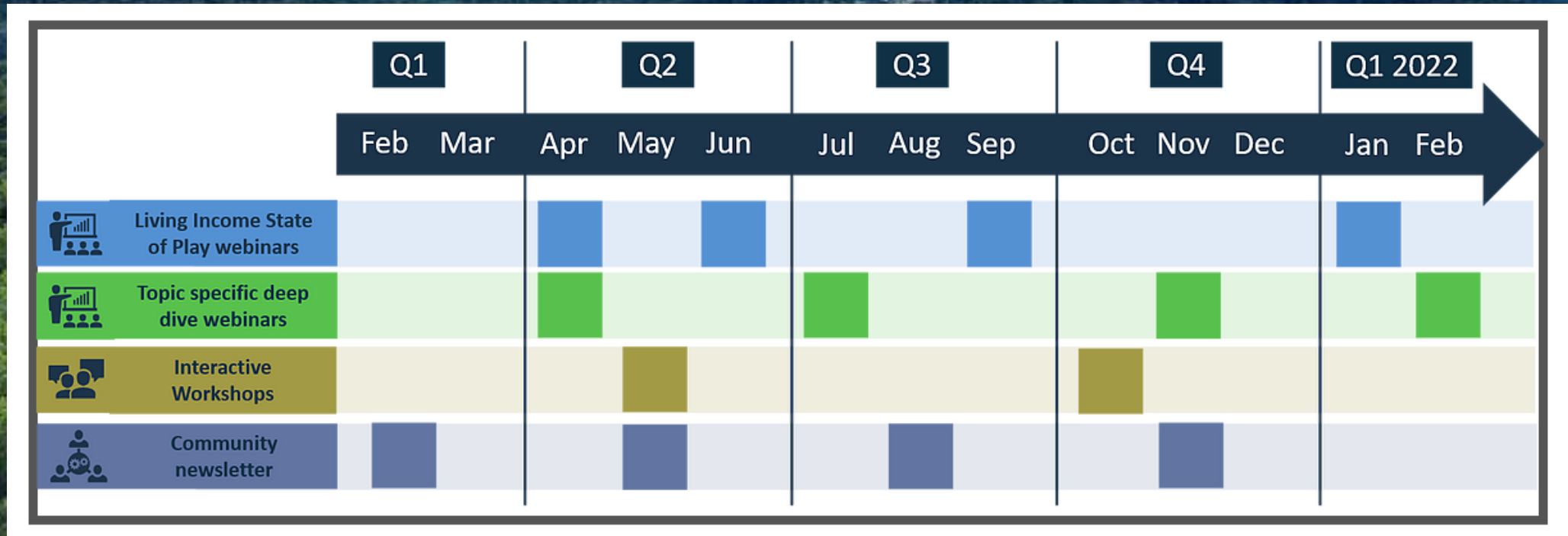
- Can these approaches & tools be adapted to those in non-agriculture-based sectors? Does anything need to be adapted?
- (Assume there are similar challenges around measurement units and acquiring data?)

Q&A

Sharing experience



Events Calendar 2022



WORKSHOP | Living Income Interactive Workshop 1
[June 2022]

Agenda in development, stay tuned for more information.
Contact us if you would like to suggest topics.

Thank you!

