

Living Income Workshop 19 May 2021

The Living Income Community of Practice



Federal Ministry
for Economic Cooperation
and Development



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Empowering action towards improving living income

19 May 2021

13:00-16:30 BST (GMT +1)



Federal Ministry
for Economic Cooperation
and Development



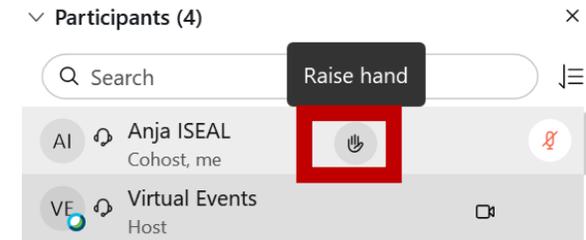
Housekeeping Rules

THIS SESSION IS BEING RECORDED

Please turn your video off during the main session. You will be kept muted throughout main session

QUESTIONS

1. Plenary: Raise your virtual hand (organizers shall unmute you)
2. Breakout: You can un-mute yourself
3. Written question- Pop it in the CHAT BOX



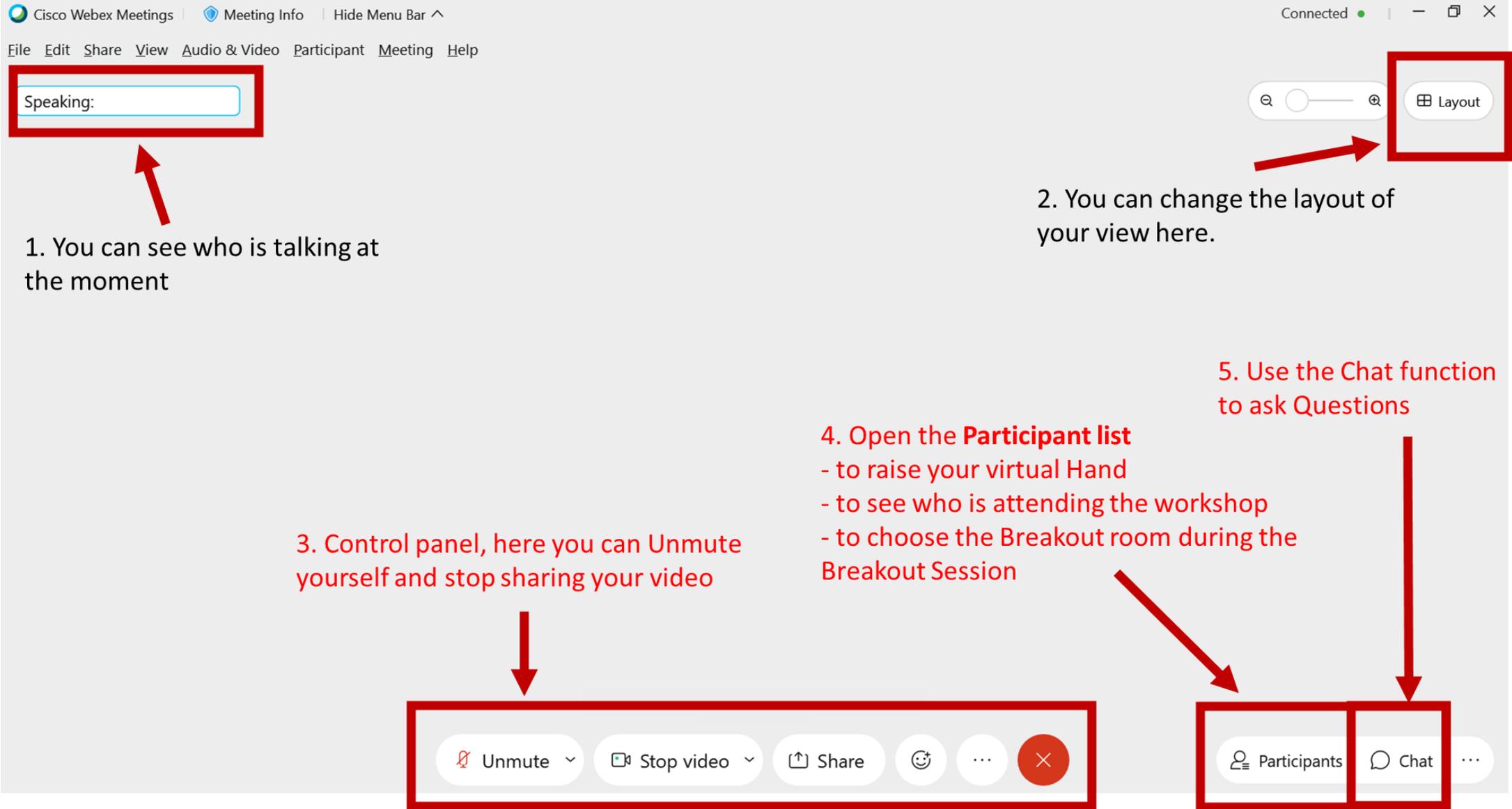
CHAT BOX: We shall also use the chat box to share links to resources. You can use it to connect to other participants or LICOP facilitators

IF THE NETWORK FAILS? Try to reconnect. If after 5mins it does not work, please refer to your emails for any updates from the organizer.

HEARD SOMETHING NOTEWORTHY? Share in on twitter or LinkedIn using the hashtag **#LICOP2021event**

TECHNICAL DIFFICULTIES ? **Helpline** +49 30 235911618

(Reach out to anja@isealalliance.org OR m.muensch@conpolicy.de)



Anti Trust Statement

As participants in this group, we need to be mindful of constraints of antitrust laws. During both the formal and informal parts of this meeting, participants shall not enter into discussions, agreements or concerted action that may have as their object or effect the restriction of competition. This prohibition covers the exchange of competitively sensitive information including, but not limited to, information concerning individual prices, production, sales, capacities, costs, rates, coverages, market practices, claims settlement practices, company level investments, or any other competitive aspect of an individual company's operation.

Each participant is obliged to speak up immediately for the purpose of preventing any discussion falling outside these bounds.

Thank you!

Agenda

TIME (BST/GMT +1)	Duration	Session
13:00 – 13:20	20m	Introduction to LiCoP and Partners & Networking
13:20 – 14:30	70m	Part 1 Definition and technical concepts on how we define and measure a Living income <ul style="list-style-type: none">• Session 1: Build Your Understanding on Living Income• Session 2: Practical insights for choosing the most effective approach to measuring income.
14:30- 14:40	10m	BREAK
14:40 – 16:20	100m	Part 2 Closing the Income Gap-Sector advancements, Emerging Issues, Developing a LI approach <ul style="list-style-type: none">• Session 3: Living Income & Livelihoods – emerging topics• Session 4: Developing a Systems Approach to Living income: What does a LI approach mean for different people in the food and ag system?
16:20- 16:30	10m	Wrap up

LICOP workshop facilitators



Adam Romo
Senior
Coordinator,
Innovations
ISEAL Alliance



Don Seville,
Executive
Director,
**Sustainable Food
Lab**



Kealy Sloan
Program
Manager
Agriculture &
Development
**Sustainable Food
Lab**



**Sheila
Senathirajah**
Senior
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ISEAL Alliance



Anja Norwig
Project
Support
ISEAL Alliance



**Friederike
Martin**
Advisor Sust. Ag.
Value Chains
and Standards
GIZ



Kristin Komives
Director, Impacts
ISEAL Alliance



**Stephanie
Daniels**
Senior Program
Director
**Sustainable
Food Lab**



Christina Archer
Strategic
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Food Lab**



Kaitlin Sampson
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Communications
Associate
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Food Lab**



Nina Kuppetz
Junior Advisor
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Agricultural
Supply Chains
and Standards
GIZ



Thilo Liedbauer
Advisor for Sector
Programme
Sustainable
Agricultural Supply
Chains and
Standards
GIZ



Rita Mendez
Senior
Coordinator,
Impacts
ISEAL Alliance



Tim Loos
Advisor for
Sustainable Supply
Chains and
Standards,
GIZ



Networking Session (6 mins)

Group of 3-4 pax:

Introduce yourself
and share a
positive experience
working on farmer
Income



Part 1

Definition and technical concepts on how we
define and measure a Living income

13:20 – 14:30 pm



Session 1

Build Your Understanding on Living Income

LICOP Moderator



Rita Mendez
Senior Coordinator, Impacts
ISEAL

Keeping it interactive - Mentimeter



1. Use your phones/ computer



2. Go to www.menti.com



3. Enter the code 9351 9976

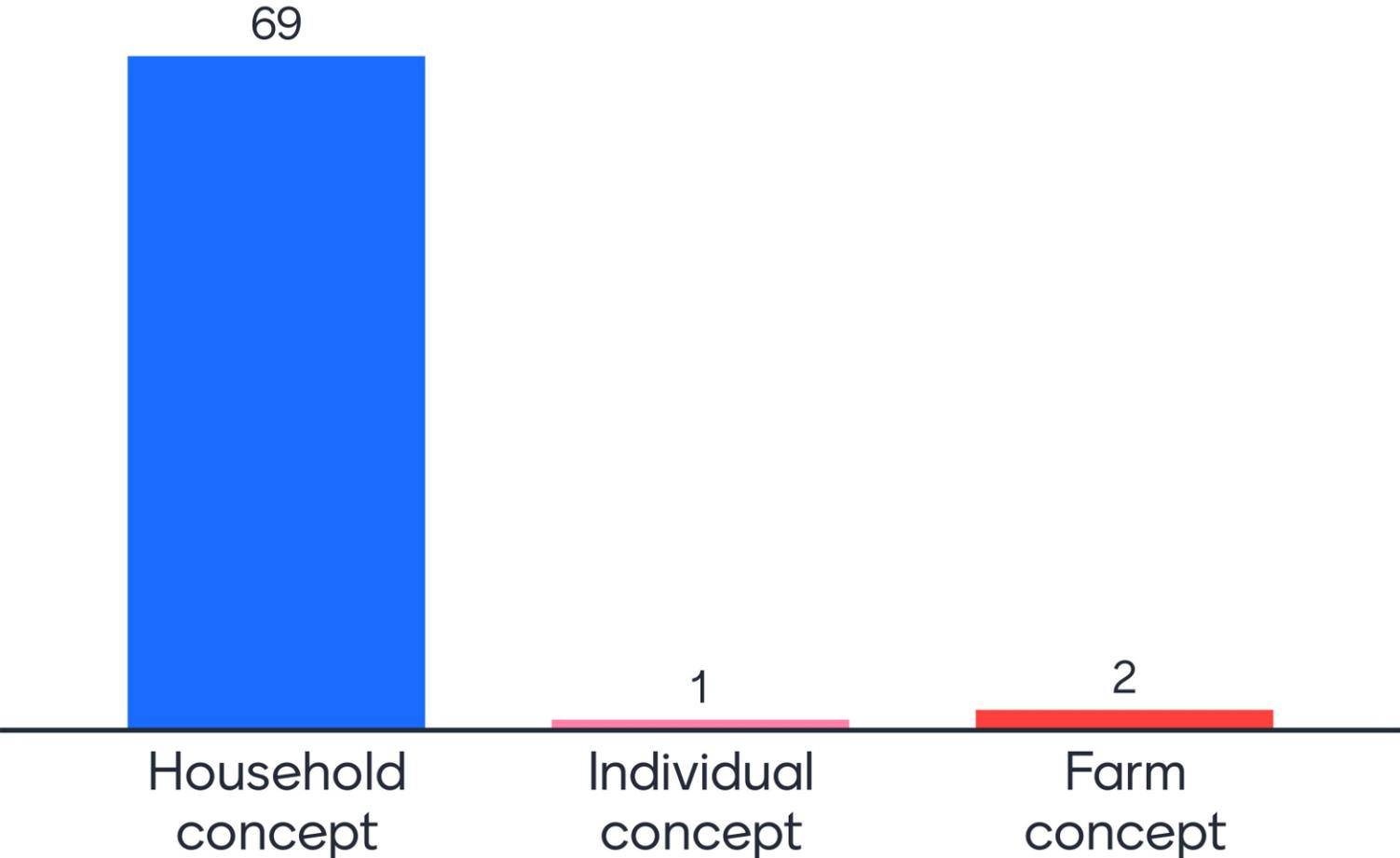
Session 1

Build Your Understanding on Living Income

The Living Income Community of Practice



Living income is a...



Earning a living income means...



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



A household earns enough in a year to afford a decent standard of living



A farmer earns enough to meet minimum or baseline levels of income

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.



What is the link between living income and living wage?

GLOBAL
LIVING WAGE
COALITION



Living Wage

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

<https://www.globallivingwage.org>

Both are derived from the idea of achieving a decent standard of living.



Living wage applies to an individual worker. Living income applies to a household.

The Living Income
Community of Practice



Living Income

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

www.living-income.com

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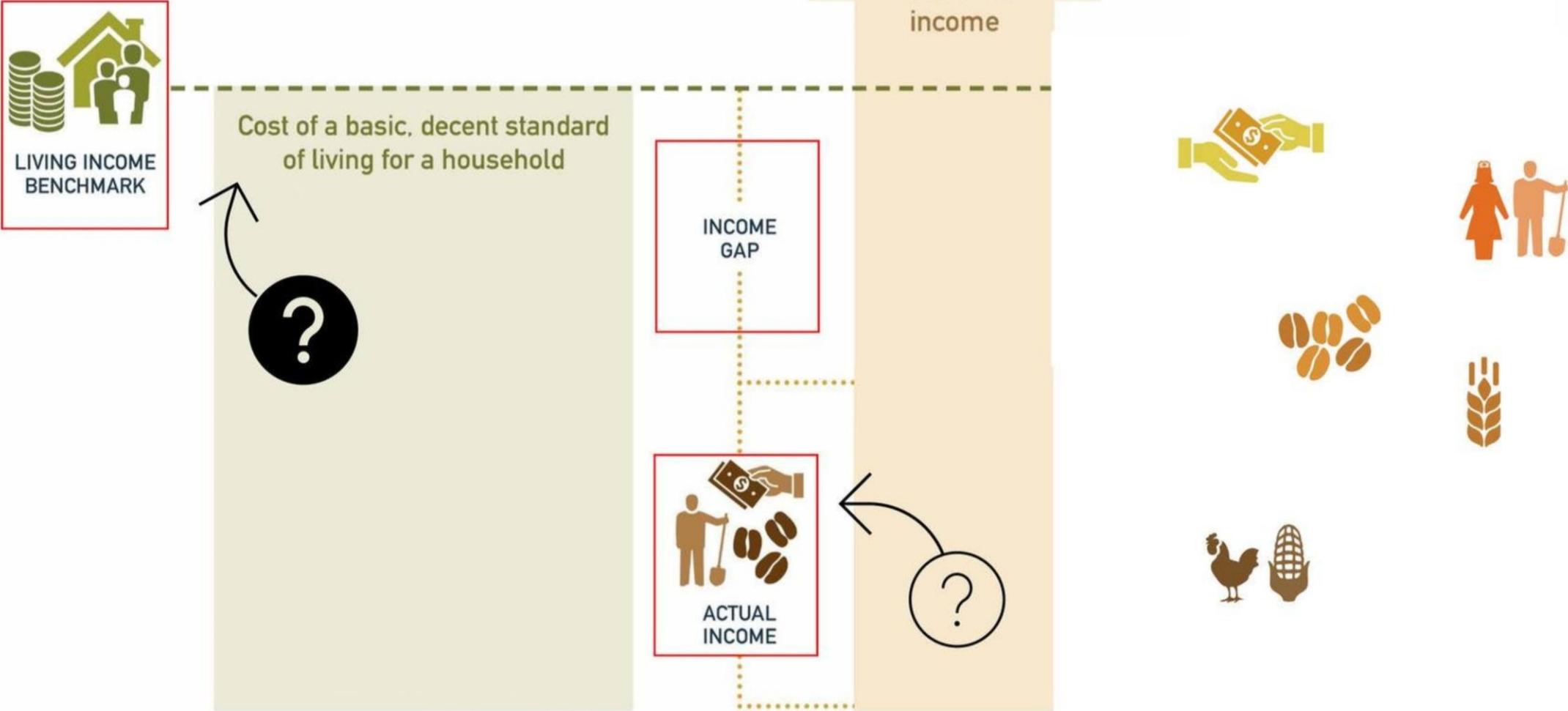


Living Income

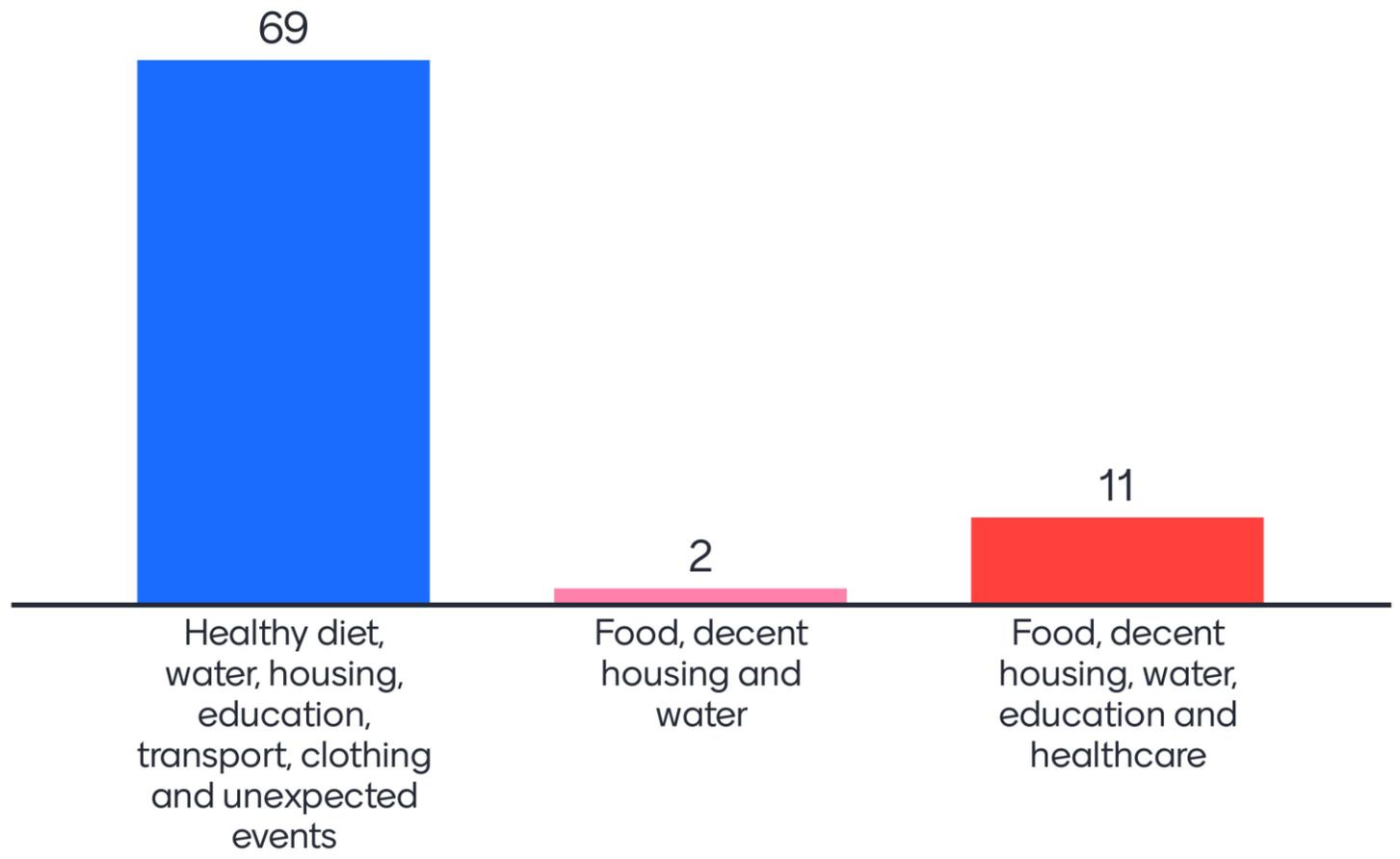
Farming households earn enough in a year from all income sources to afford a decent standard of living.

www.living-income.com

The Living Income Story



A Living Income Benchmark is an estimate of the cost of all elements of a basic decent standard of living, including:



What is a Living Income Benchmark?



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



FOOD FOR MODEL DIET



DECENT HOUSING



OTHER ESSENTIAL NEEDS

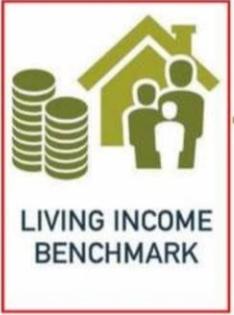


UNEXPECTED EVENTS

A living income benchmark is an estimate of the cost of a basic and decent standard of living for a household.

It answers the question: 'how much does a typical household in a particular place need to earn, from all income sources, in order to live a decent standard of living?'

The Living Income Story



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

- FOOD FOR MODEL DIET (Icon: bowl of soup)
- DECENT HOUSING (Icon: house)
- OTHER ESSENTIAL NEEDS (Icons: bus, graduation cap, shirt, nurse)
- UNEXPECTED EVENTS (Icons: people, trees, ambulance)

INCOME GAP

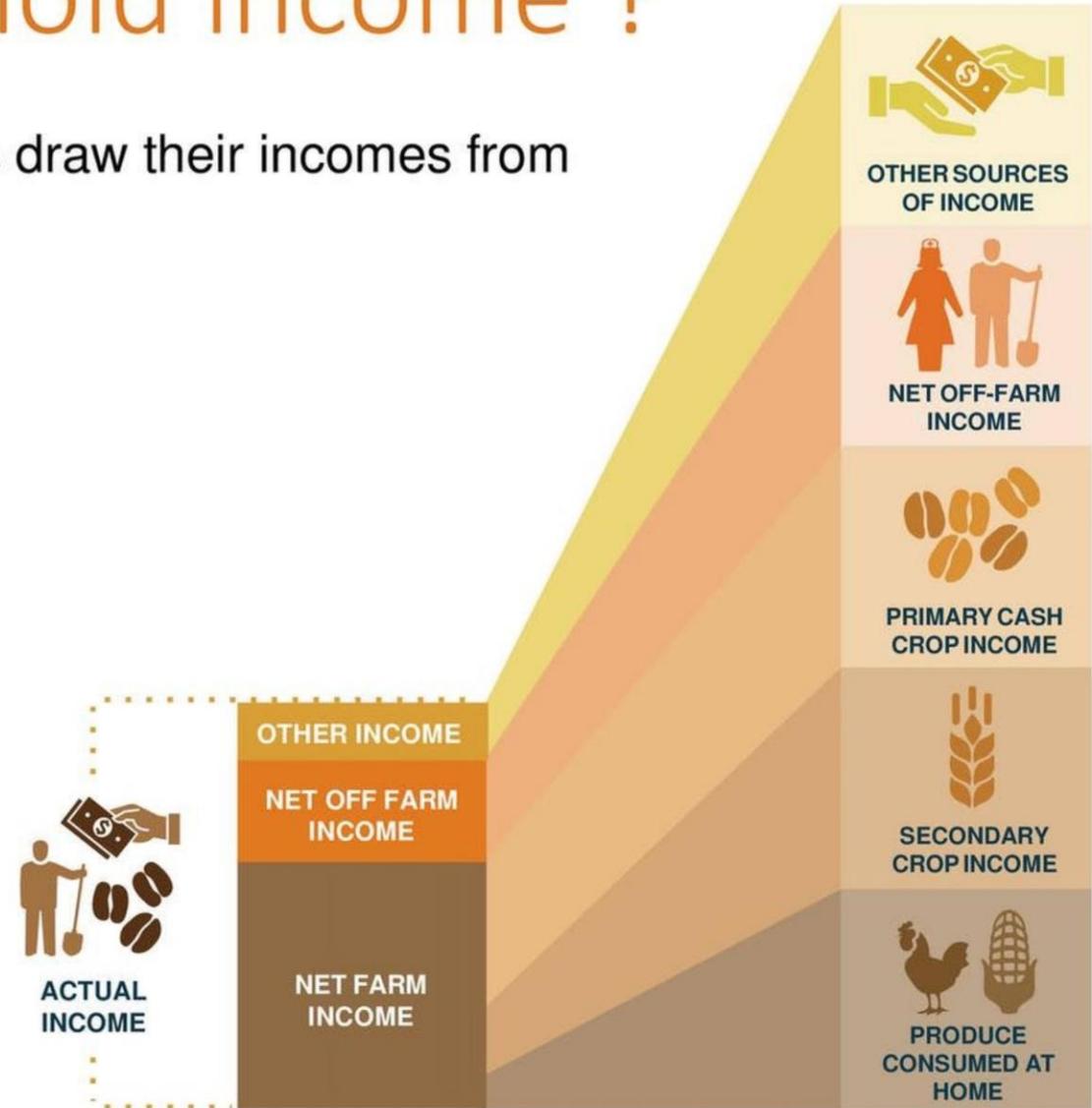
ACTUAL INCOME



What is 'actual household income'?

- Evidence shows that smallholder households draw their incomes from a variety of sources.
- These can be generally categorized into 3 (which can then be further subdivided):
 - **Net farm income**
 - **Net off farm income**
 - **Other income**
- Actual household income is the sum of the net incomes across these sources.

***Note** – farm income and what is considered primary cash crop income may not be the main income source for your farming households of concern.

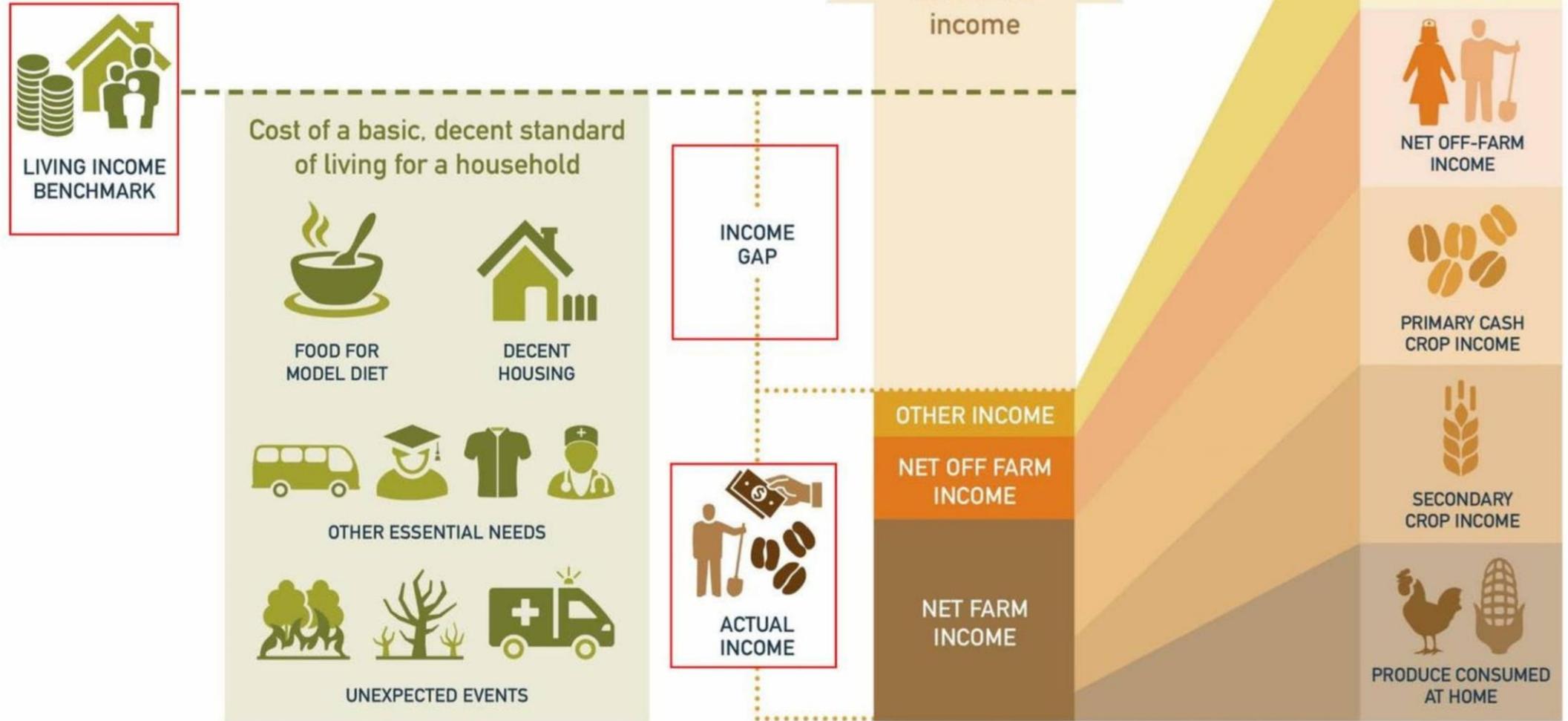


What is an 'income gap', and how does it relate to the living income benchmark?



An income gap is the difference between the living income benchmark and current income of a typical farming household.

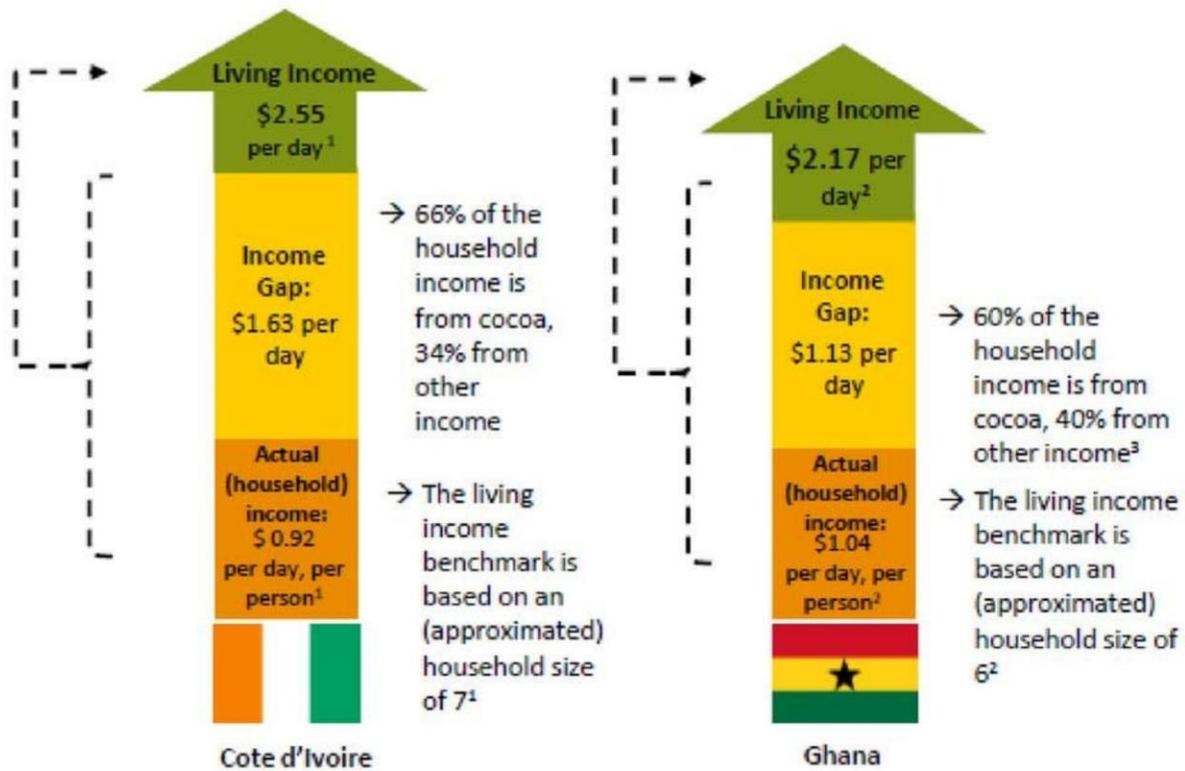
The Living Income Story



Income Gap: Example

Cote D'Ivoire/Ghana

Mind the gap
Despite a multitude of sustainability efforts to improve the livelihoods of cocoa farmers, severe poverty among cocoa farmers remains widespread.



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
³ <https://cocoainitiative.org/news-media-post/cocoa-farmers-in-ghana-experience-poverty-and-economic-vulnerability>

Our income measurement guidance & the living income story

The Living Income Community of Practice

Looking for a Living Income Benchmark?

What is a living income benchmark?
Where can you find one?
What to do if no benchmark exists?

FAQ, v.1.0 May 2020

To suggest corrections or ideas for improving the FAQ, please contact li@lincollaboration.org

Gap calculation

The Living Income Community of Practice | KIT | COSA

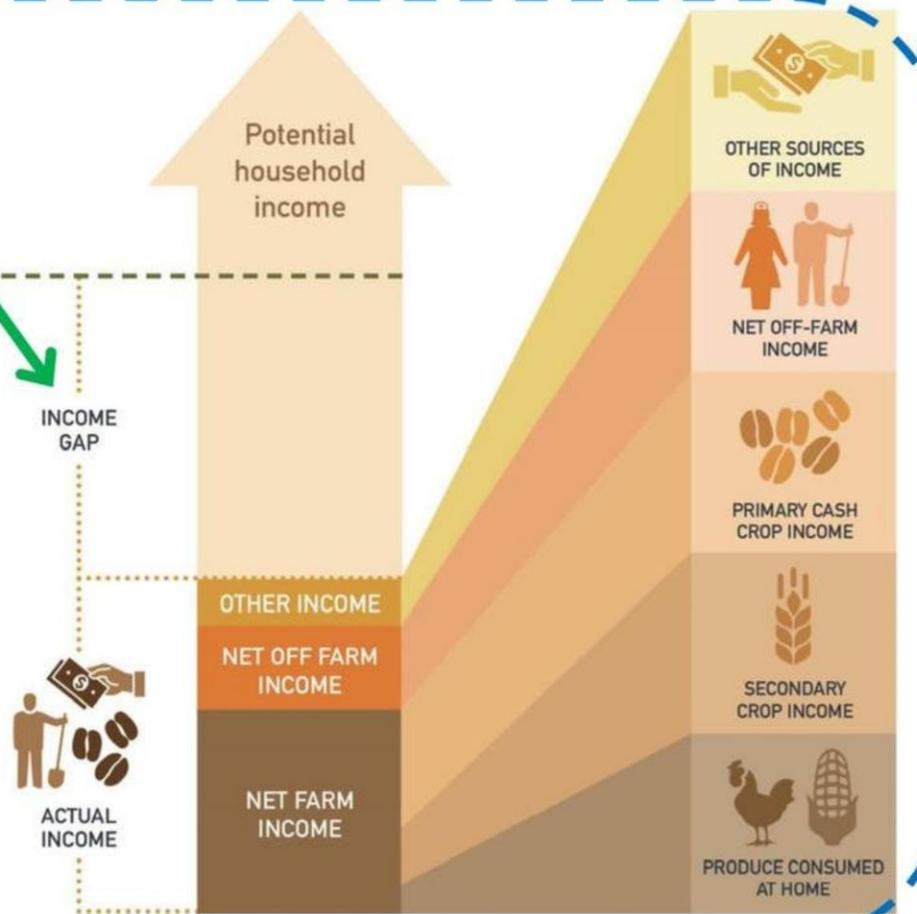
Guidance manual on calculating and visualizing the income gap to a Living Income Benchmark

Prepared for the Living Income Community of Practice

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



HEA framework

The Living Income Community of Practice | Heartwood | FEG | On-Up

Applying the Household Economy Analysis to Measure and Address Income Gaps in Agriculture Supply Chains

Guidance Note for the Living Income Community of Practice – December 2019

Authored by Jessica Grillo and Jennifer Bush

Income measurement

The Living Income Community of Practice | COSA | KIT

Guidance on calculating household income

Version 1.

Prepared for the Living Income Community of Practice

Income estimation

The Living Income Community of Practice | IMPACT INSTITUTE

Estimating farmer household income

How to use secondary data to estimate farmer household income illustrated by two specific use case scenarios

V1.2

Prepared for the Living Income Community of Practice

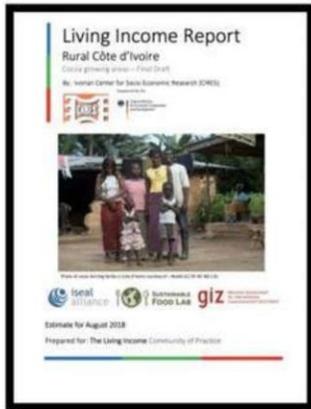
Where can I find existing living income benchmarks?

Visit the following locations:

The Living Income Community of Practice



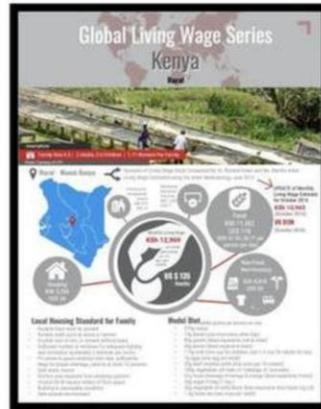
www.living-income.com



Living income benchmarks available for the cocoa industry in Ghana & Cote d'Ivoire.
Also Excel database with summary of living income benchmarks published in other locations.

GLOBAL LIVING WAGE COALITION

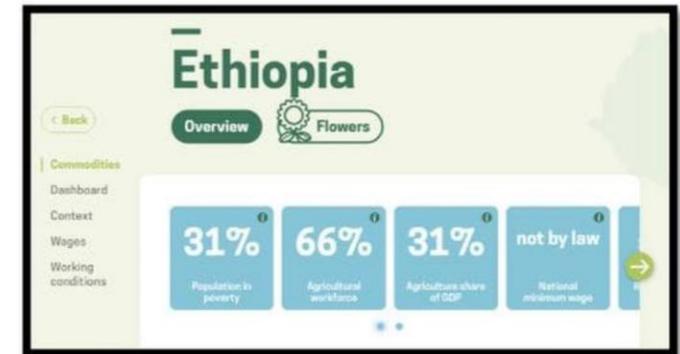
www.globallivingwage.org



Living wage estimates available in 26 countries, with application in multiple industries

ALIGN

www.align-tool.com



Website with ambition to eventually host information on all available living income and living wage benchmarks.