



Income Diversification among East African Pastoralists

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Pastoral diversification is defined as the pursuit of any non-pastoral income-earning activity. This includes various forms of trade, wage employment, farming, and gathering and selling wild products. Results from PARIMA field surveys and broader literature reviews concerning pastoral diversification are discussed. There are many reasons why pastoralists diversify, and much local variation in rationale and activities should be anticipated. Wealthier herders may seek diversification to promote economic growth, while the poor may seek diversification to survive. Wealthier herders have the option to pursue things like lucrative trading professions, while the poor are relegated to marginal activities such as fuel wood sales or charcoal production. Diversification options vary according to gender and proximity to towns and settlements. In general, options for women (petty trade) differ from those available for men (wage employment, livestock trade). Salaried employment may be most vital for promotion of food security. Herders residing less than 40 kilometers from towns typically have more alternative income-generating options than those living further away. Diversification is not always the panacea that it is assumed to be. Some forms of diversification may increase risk. Interventions should prioritize promotion of customary resource use strategies (promoting mobility and livestock species diversity) where possible. Medium-term investments should focus on rural education since education is most likely to lead to options for salaried employment. For the settled poor, activities such as dairy trade, sustainable fuel production (forestry), and re-stocking schemes may have the most value.

Background

Livestock herders of East Africa increasingly pursue non-pastoral income strategies to meet consumption needs and to buttress against risky shocks caused by climatic fluctuation, animal disease, market failure, and insecurity. During the past three years PARIMA researchers have engaged in field studies at eleven sites in northern Kenya and southern Ethiopia and have reviewed secondary data and literature that have resulted in several reports, publications, and conference presentations. The work tests the hypothesis that income diversification is an important means of improving risk management by herders.

Pastoral diversification is defined as the pursuit

of any non-pastoral income-earning activity, whether in rural or urban areas. This definition includes: (1) any form of trading occupation (e.g., selling milk, firewood, animals, or other products); (2) wage employment, both local and outside the area, including working as a hired herder, farm worker, and migrant laborer; (3) retail shop activities; (4) rental property ownership and sales; (5) gathering and selling wild products (e.g., gum arabica, firewood, or medicinal plants); and (6) farming (both for subsistence and cash income).

Preliminary Findings

Risk is an important reason why herders might

wish to diversify their income sources, but it is not the only reason and in many cases it may not be the most important factor. The causes of pastoral diversification are multi-faceted and resistant to simplistic explanations. Part of the reason for this is that within the designated study area we are dealing with heterogeneous populations and ecosystems. Considerable intra-community differences add to the complexity, in that motivations for diversification vary considerably along both wealth and gender lines. Rich and poor herders pursue diversification for different reasons, and risk may not be equally important for both groups.

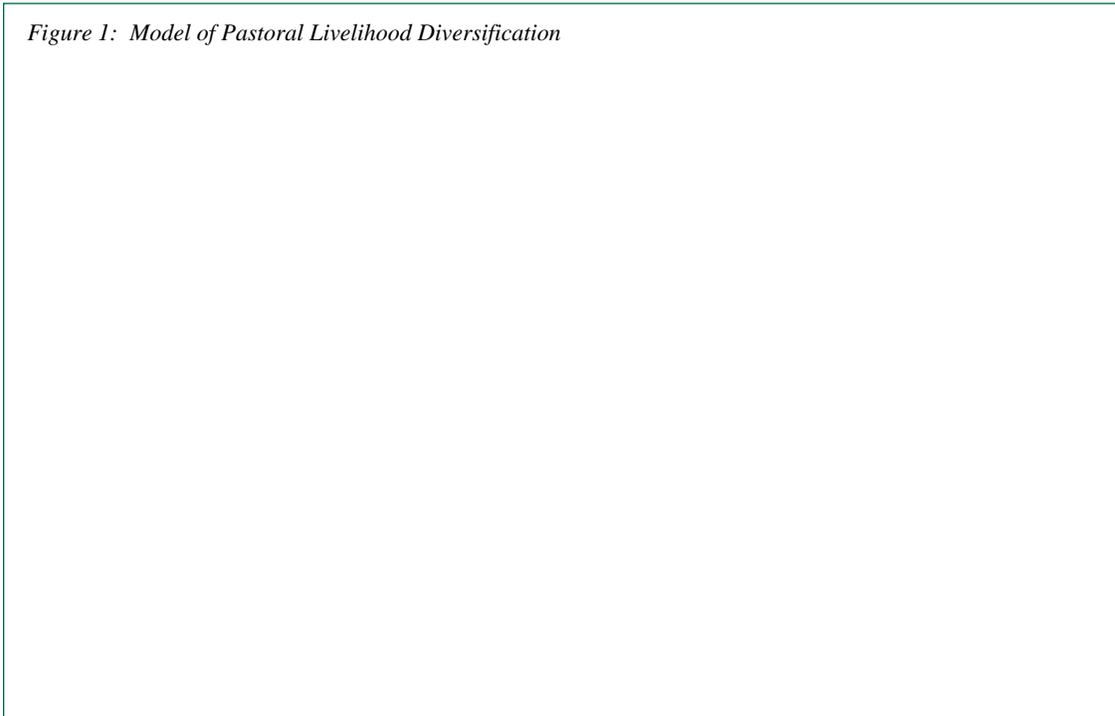
Figure 1 shows the interaction of different variables that influence a herder's decision to diversify. For the relatively wealthy herders diversification is a strategy of accumulation or investment; for the impoverished it is a matter of survival. Three different sets of variables are distinguished in the model that influence herder decisions to diversify or not; and what types of strategies to pursue (Figure 2). These include: (1) conditional variables; (2) opportunity variables; and (3) local response

variables. Each category can be treated independently, although interactions among them often exist.

Income options vary by proximity to the nearest town and by the gender and wealth category of the herder. Not surprisingly, the closer one lives to a town, the greater the number of options available (Figure 2). Persons living within a 39-kilometer radius of towns mention up to eleven different income activities compared to seven activities for those living more than 40 kilometers away (i.e., more than a day's walk). It also is not surprising that wealthy herders and poor herders have different diversification options (Figure 3). Charcoal and firewood sales, for instance, are income diversification activities done only by the poor. They are extremely laborious and generate little income.

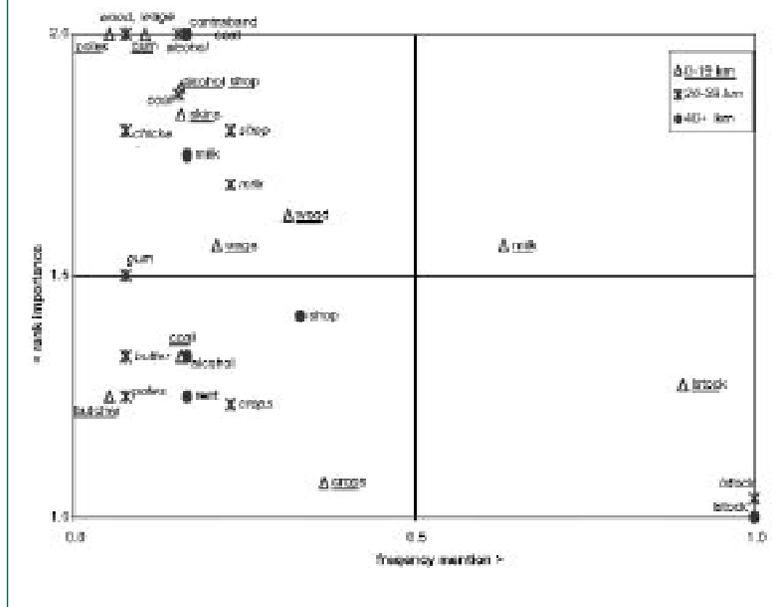
Gender is a socioeconomic characteristic that strongly influences diversification options. Women's main income-earning activities include milk sales, alcohol brewing, and other forms of petty trade, while men frequently engage in

Figure 1: Model of Pastoral Livelihood Diversification



livestock trading. Waged employment is strongly gendered and many of the more lucrative employment options mainly are available to men. Salaried employment has been shown to have an impact on income and food security in our project region. Data from the eleven PARIMA survey sites show that those areas with the highest levels of salaried employment had the greatest influence over cash income and expenditures on food, and the highest amounts of food and cash transfers among households.

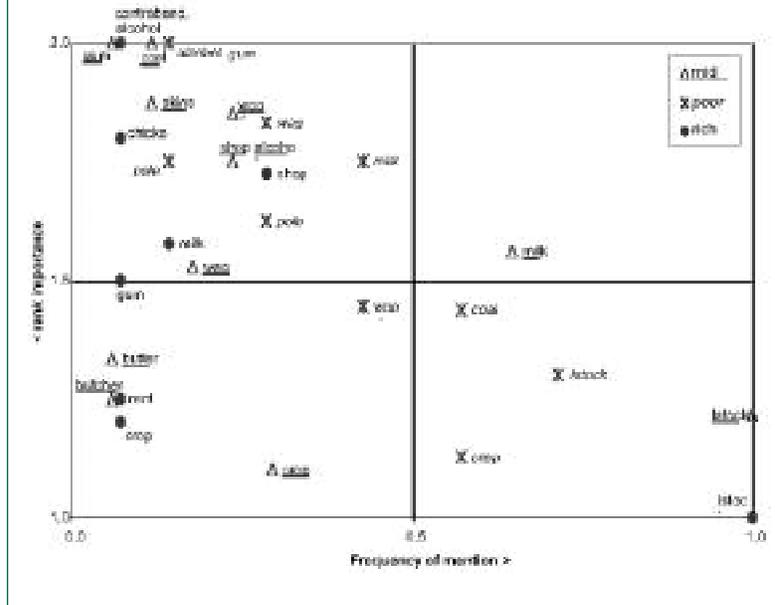
Figure 2: Income Diversification by Proximity to Town



Practical Implications

Diversification is not the panacea that many policy makers assume it to be. The research shows that diversification strategies have multiple causes and most generate low incomes and actually can increase risk during periods of stress. Herd mobility and herd diversification remain the major means of managing risk in pastoral areas and efforts to encourage diversification should not impede these strategies. Investment in education among pastoralists is a viable means of enhancing positive diversification through salaried employment and is a priority on the Kenyan side of our study region. For poor herders and agropastoralists who have already settled options include: (1) Milk trading activities that benefit women; (2) promotion of sustainable

Figure 3: Diversification Options by Wealth Category



forestry activities that generate income through fuel wood and charcoal sales; and (3) restocking schemes that encourage re-establishment of viable herds.

Further Reading

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The GL-CRSP Pastoral Risk Management Project (PARIMA) was established in 1997 and conducts research, training, and outreach in an effort to improve welfare of pastoral and agro-pastoral peoples with a focus on northern Kenya and southern Ethiopia. The project is led by Dr. D. Layne Coppock, Utah State University, Email contact: lcoppock@cc.usu.edu.



The Global Livestock CRSP is comprised of multidisciplinary, collaborative projects focused on human nutrition, economic growth, environment and policy related to animal agriculture and linked by a global theme of risk in a changing environment. The program is active in East Africa, Central Asia and Latin America.

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