

Living Income Community of Practice

Topic specific 2024 webinar series

Mentimeter

The Living Income Community of Practice

Supported by the



Implemented by



Living Income 101: A beginner's guide to the key concepts

Thursday, September 19th , 2024

14:00-15:00 UTC+1 (UK time)



Today's Facilitators



Carla Rodriguez
Senior Project Coordinator,
Impacts and Innovations
ISEAL



Molly Leavens
Program Manager
Sustainable Food Lab



Anny Stoikova
Manager, Sustainability
Systems and Livelihoods
ISEAL



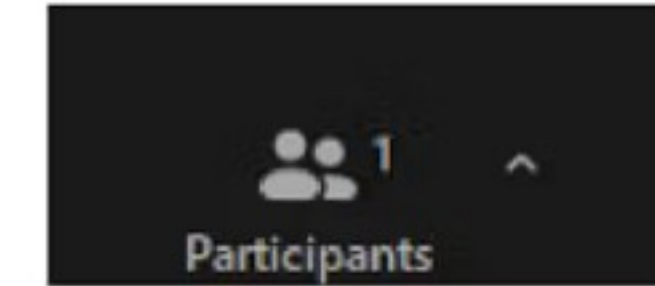
Mariana Bastos
Technical support
Project Coordinator, Impacts
and Innovations
ISEAL



Session Guidelines

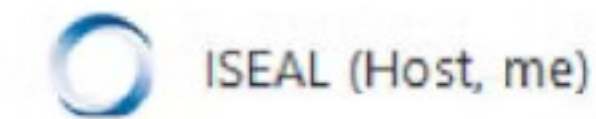
RECORDING

- This session is being recorded and this will be shared with all participants on the Living Income webpage in the upcoming days .



INTRODUCE YOURSELF

- Edit your name and add your organisation in brackets; e.g., [Carla \(ISEAL\)](#)
- To do this, simply click on the “Participant button”
- Next, in the Participant list, next to your name click on “Rename”

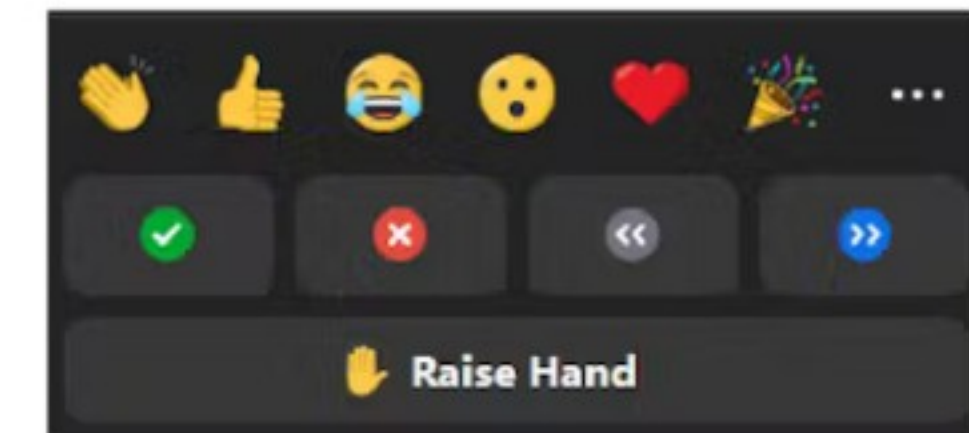


Unmute

... Rename

HOW CAN I ASK A QUESTION/COMMENT?

- pop the question or comment in the **chat box**.
- Interact with us by responding to our Mentimeter questions
- Please keep yourself muted when not speaking



TECHNICAL DIFFICULTIES?

Reach out to [Mariana Bastos](#) in the chat box or to livingincome@isealalliance.org

Supported by the



Implemented by



Instructions



What word comes to mind when you think about improving incomes?

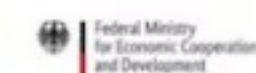
39 responses



Introduction to concepts

The Living Income Community of Practice

Supported by the



Implemented by



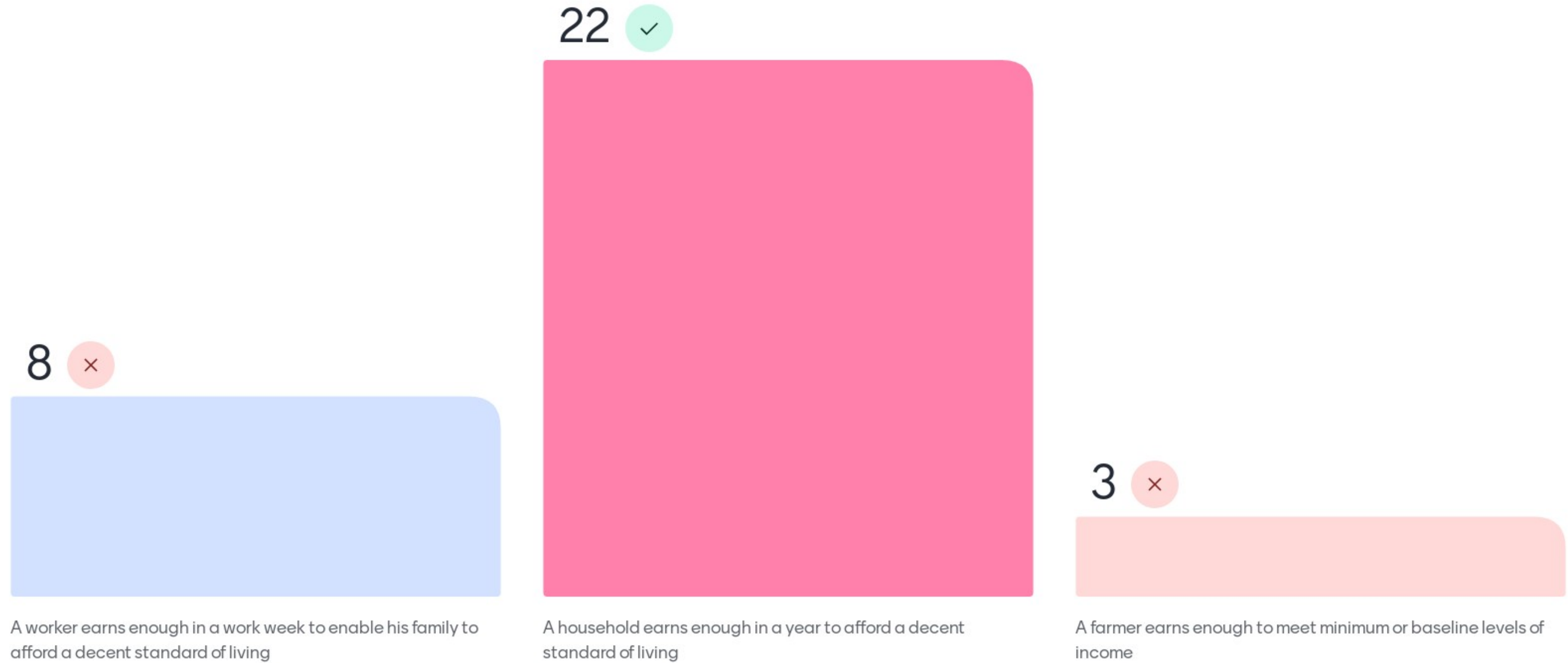
What is Living Income?

Living income is about the income level that would enable a family 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***



Earning a living income means





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

Living Wage and Living Income: concepts and definitions



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>

GLOBAL
LIVING WAGE
COALITION

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



Living wage applies to an individual worker, in any sector.

Living income applies to a household, usually in an agricultural context.



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
Community of Practice

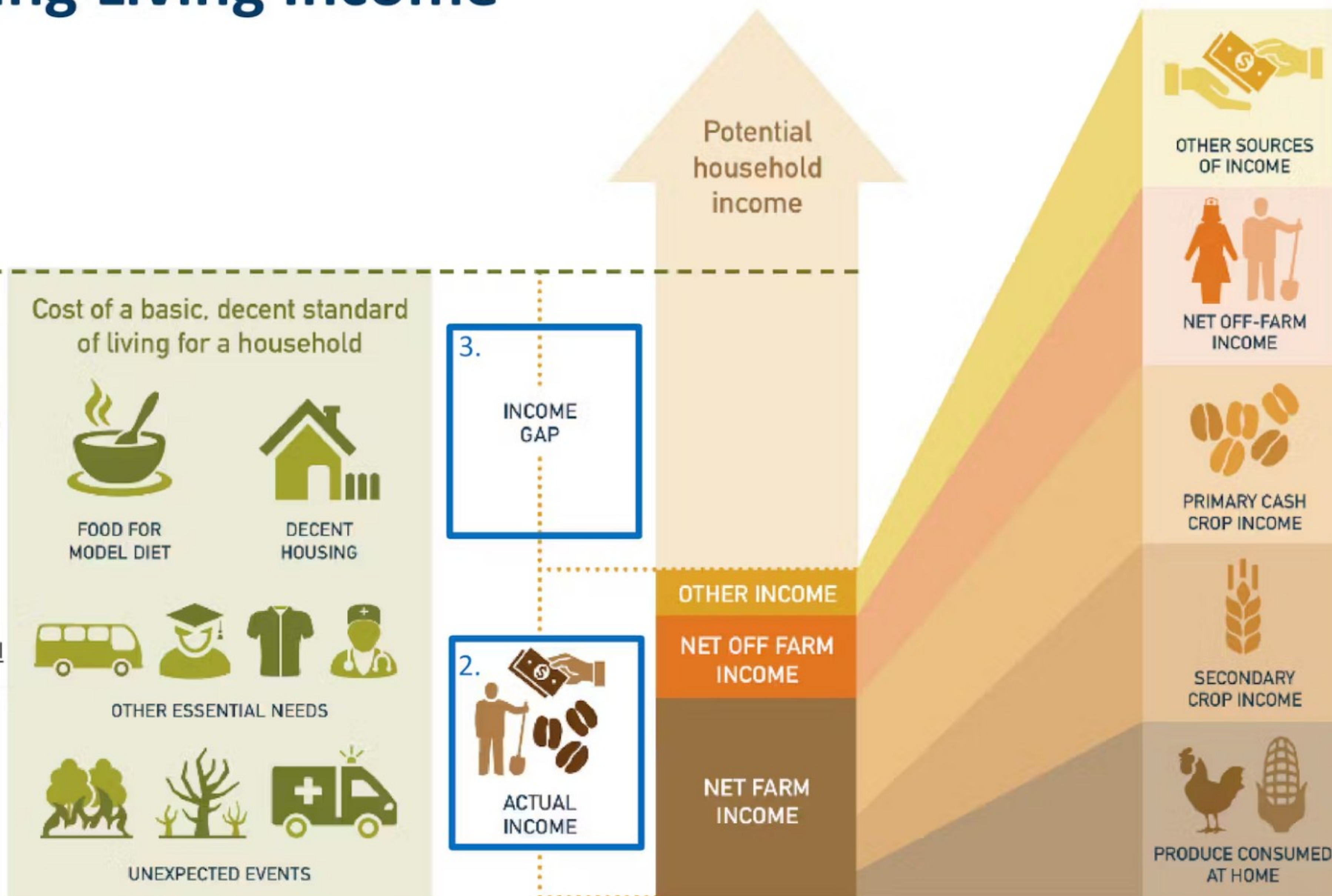
Understanding Living Income



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

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?**

Source: The Living Income Community of Practice



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

31



Healthy diet, water, housing, education,
transport, clothing and unexpected events

0



Food, decent housing and water

2



Food, decent housing, water, education and
healthcare

1



33



1. Living Income: Benchmark

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

3 Key Points

- ✓ Based on international norms and local validation of levels for a decent standard of living
- ✓ Based on households
- ✓ Is specific to a particular place



Where can I find existing living income benchmarks?

Visit the following locations:



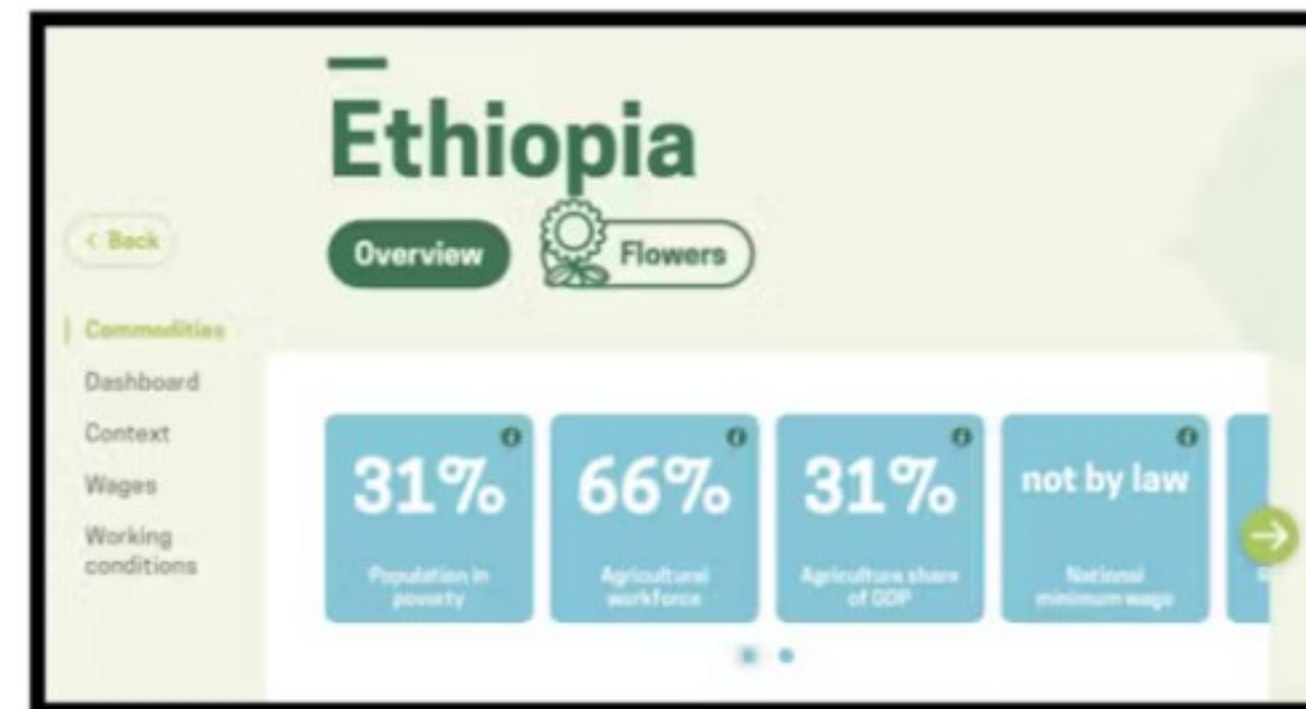
www.globallivingwage.org



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



www.align-tool.com



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

The Living Income Community of Practice



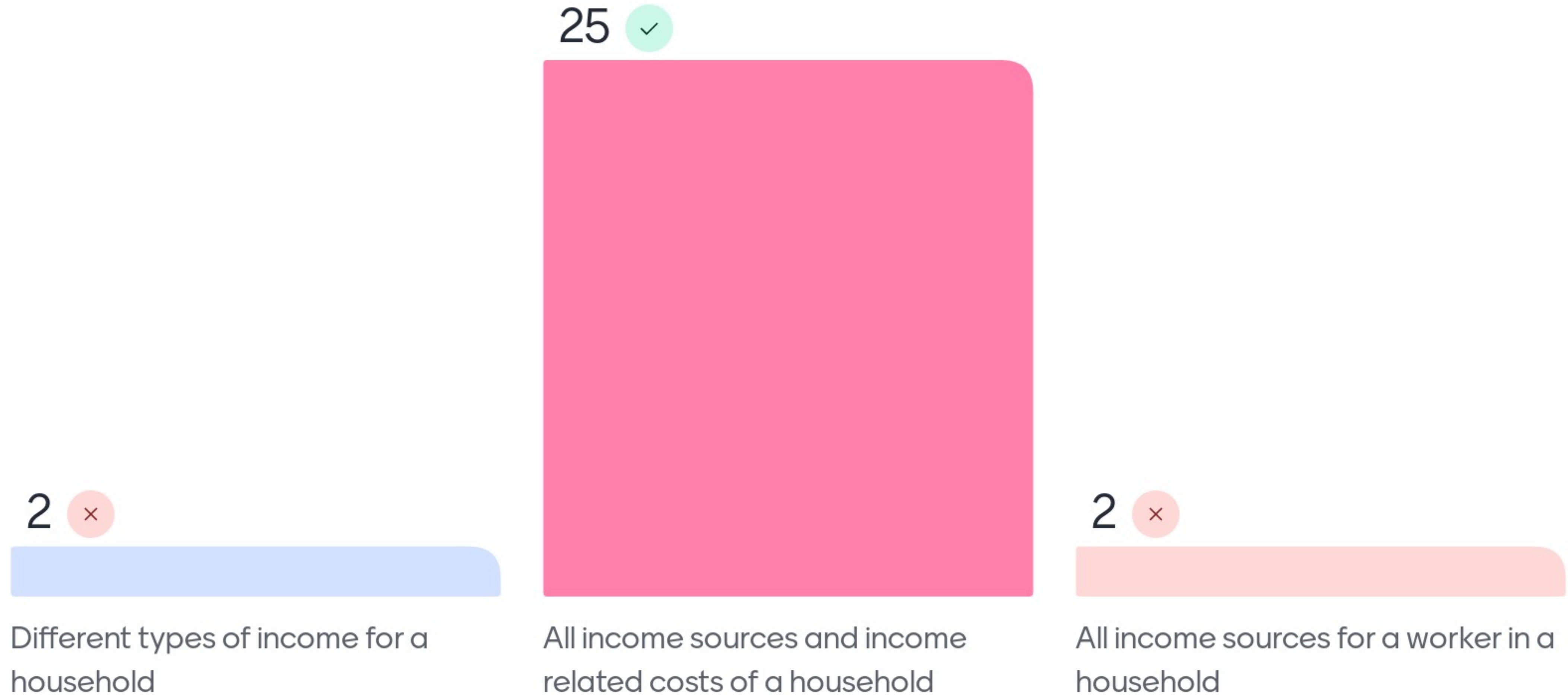
www.living-income.com



Living income benchmarks available for the cocoa industry in Ghana & Cote d'Ivoire.

Benchmarks are only half the story. To understand the magnitude of the problem and the progress being made, we also need to know what current worker wages and farmer incomes are.

What do we mean by actual income?



2. Actual Income

The actual income encompasses all income sources and income related costs of a household.

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)



Actual household income is the sum of the net incomes across these sources minus the costs associated with the earning of that income.

Why is it important to understand the magnitude of the living income gap?

31 responses

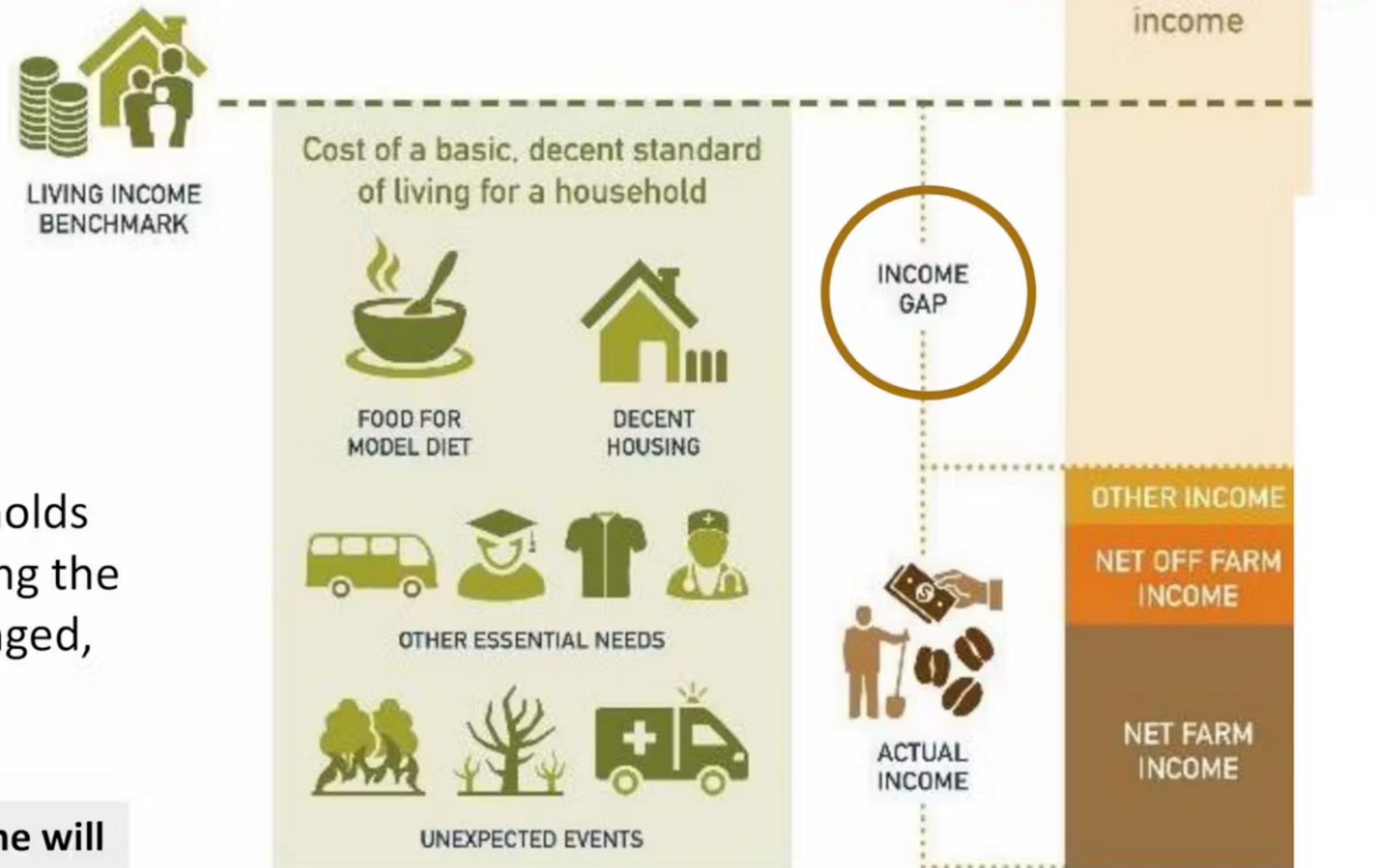


3. What Is An 'Income Gap'?

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

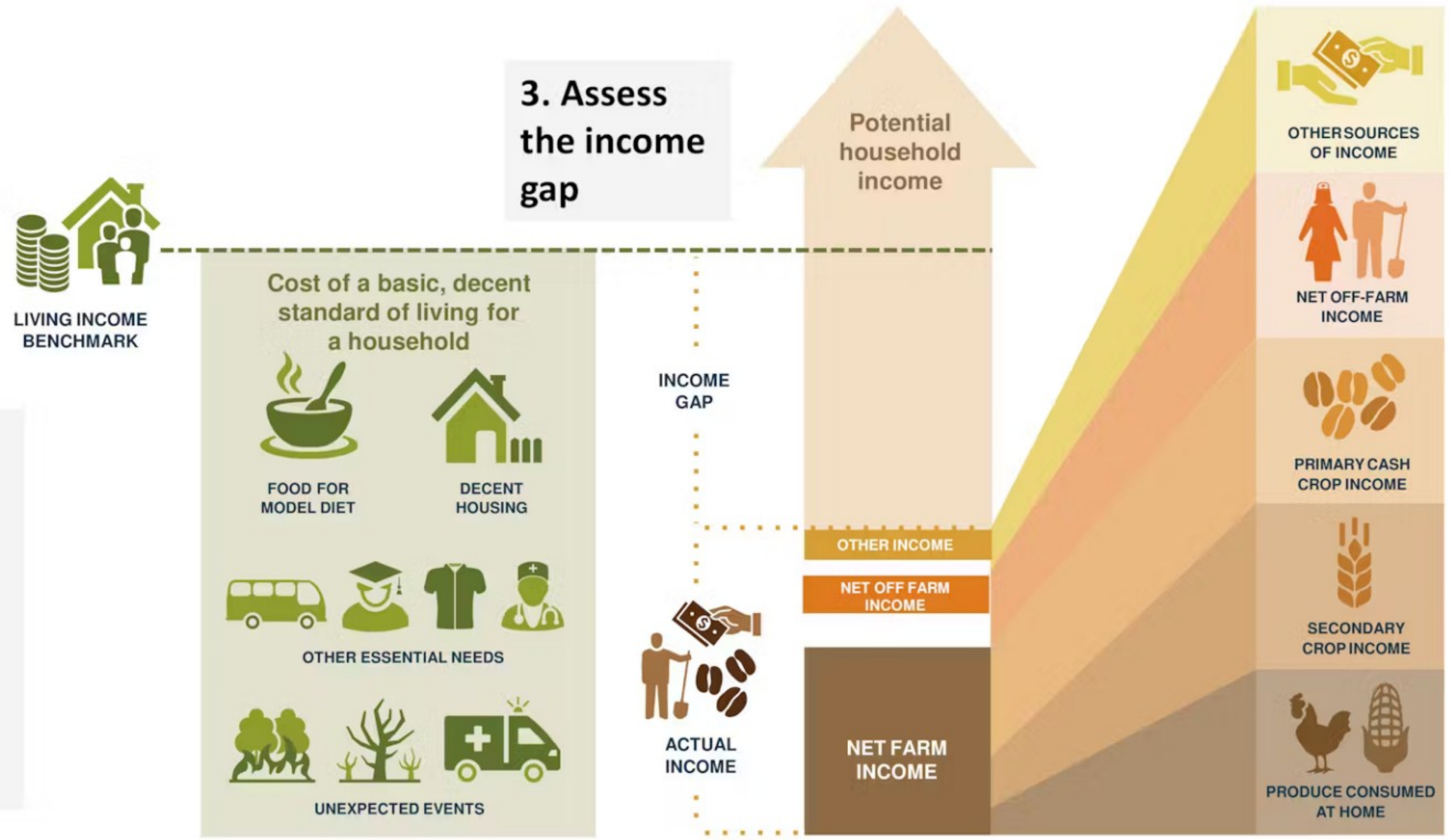
The income from farming households comes from many sources. Closing the income gap requires a multi-pronged, multi-actor strategy.

Understanding the gap to a living income will help to inform and support action.



Framework for measurement

2. Use a relevant benchmark or identify proxies for a living income benchmark




1. Measure income of farming households (household survey or alternative approach)



Achieving a decent standard of living is more ambitious than poverty reduction, but still just a step in the right direction



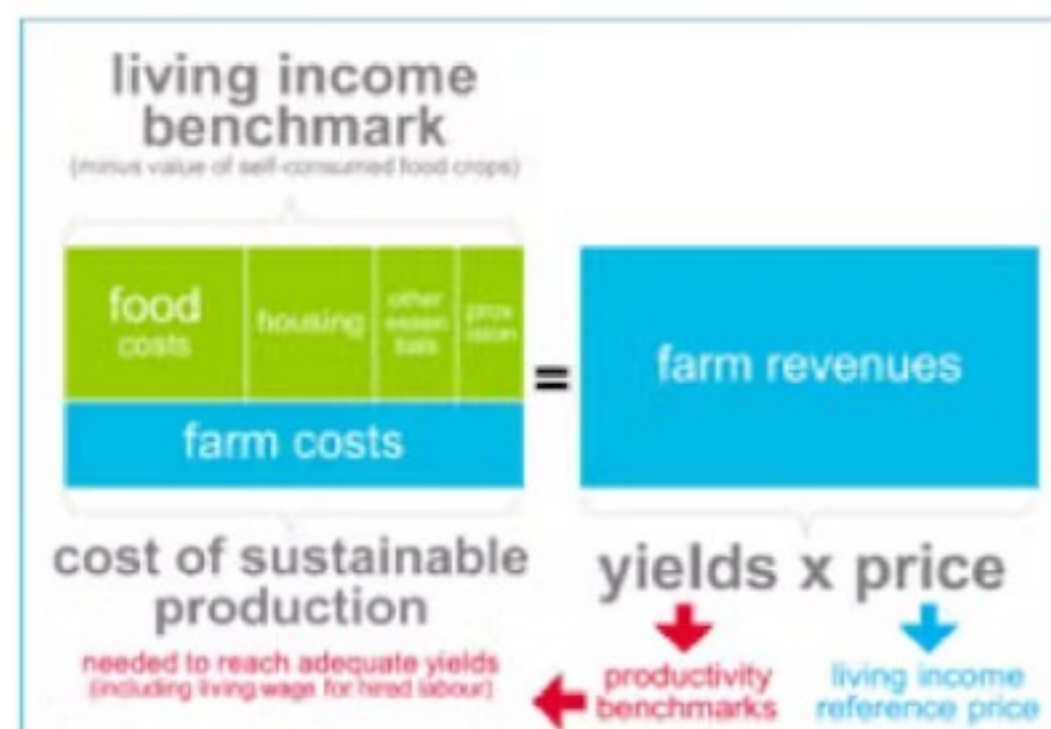
There are a range of innovative applications and tools available to  Mentimeter support the application of these concepts....



Living wage
and living
income
benchmarks



Living income roadmap



Living income
reference prices



Data-driven tools for strategy and impact



Action on living income



**The Living Income
Community of Practice**



Strategies for Closing Income Gap



Private-sector levers

INVEST IN YOUR VALUE CHAIN



Can we contribute towards programmes and services that help farmers earn more from their farms (productivity, quality, etc.) and be more resilient?

FARMER SUPPORT PROGRAMMES

- Professional producer organisations
- Farm service delivery
 - access to inputs
 - access to finance
 - market mitigation tools
 - technical assistance
- Women's economic empowerment
- Income diversification

ADAPT YOUR BUSINESS PRACTICES



How do my **trading practices** affect farmers, ability to reach a living income?

How do improved farmer livelihoods benefit my ability to **market my company and products**?

TRADING PRACTICES

- Supplier management
- Pricing and transparency
- Certifications and premiums

MARKETING

- Public reporting
- Consumer engagement
- New product development

COLLABORATE AT SECTOR LEVEL



What are the **structural issues at the sector level** that are preventing my company's supply chain initiatives from being successful?

What are challenges at the **landscape / community** level (watershed management, deforestation) preventing my company's supply chain initiatives from being successful, that I can't address alone?

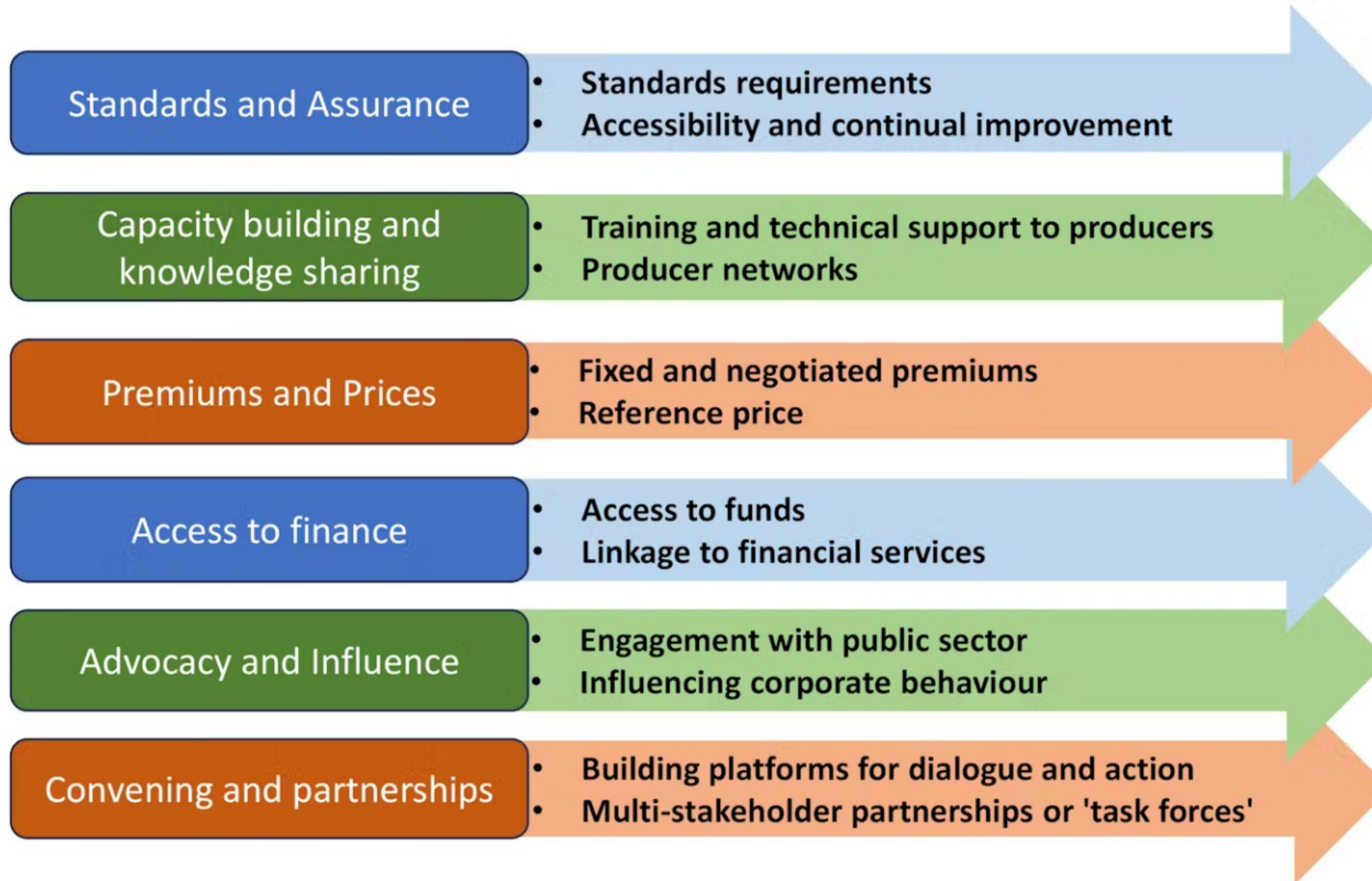
SECTOR GOVERNANCE

- Sector price mechanisms
- Supply management
- Rural economic development policy

LANDSCAPE / COMMUNITY INTERVENTION

- Watershed / forest protection
- Community based income projects
- Social protection
- Land tenure

Role of Sustainability Systems and Civil Society



Few sustainability systems have LI requirements in their standard

Most organizational strategies address enabling factors, but increasingly there is also support for living income programs

Strongly positioned to facilitate market access, strengthen producer groups and their capacity, convene collaborations and advocate locally and internationally

The Living Income Community of Practice

Supported by the



Implemented by



Living Income Community of Practice is open to any entity committed to learning on the topic of Living Income and improving livelihoods of smallholder farmers

www.living-income.com

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:

Our activities designed to support practitioners



Share & Host News and Events:

In-person and virtual webinars and workshops, as well as newsletter that provide dialogue spaces for emerging issues, cross sector and multi-stakeholder learning.



Create Tools & Resources:

We create toolkits, graphics, slides, measurement guidance documents. We coordinate funding and consultations for new living income Benchmarks and income gap assessments.



Facilitate Technical & Advisory Committees:

We convene leaders and experts to identify the high leverage focus topics; and to debate key methodological issues for creation of aligned guidance on key topics related to Living Income.

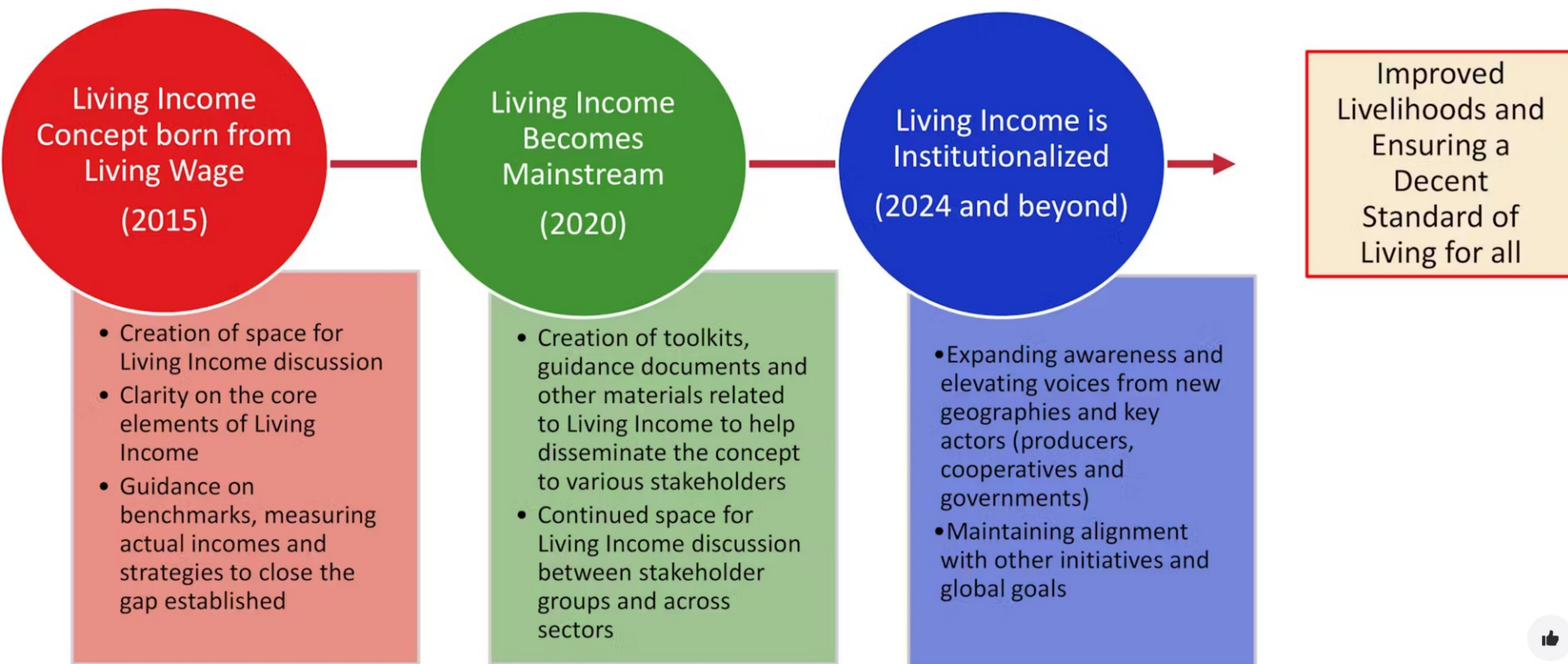


Facilitate & Provide Strategic Advisory:

Partners from GIZ, ISEAL and SFL provide guidance to multi-stakeholder groups and sector initiatives, in order to align methods and find synergies across sectors.

Living Income Community of Practice

Where next?



Living Income Community of Practice



A community that continues to grow and is committed to supporting the Living Income movement.

What specific topics would you like to explore further in future events?

Case studies on how to close the gap

price transparency

practical implementation

wage transparency

Practical examples

case studies

Best practices on how to enshrine commitment to LI in contracts

LI Tools

What specific topics would you like to explore further in future events?

Pragmatic regional adjustments of LI benchmarks

Private sector actions that can be taken

How to deal with other sectors (other than agriculture)?

how to create the baseline, monitor and report the change overtime

Comparison between different methodologies to calculate living income

Setting wages in a global company

Practical example

Guidance on conducting living income studies in projects

What specific topics would you like to explore further in future events?

Evidence-based examples of local success stories

Case studies outside cocoa and coffee

impact of private standards on LI

To what extent do - or can - sustainability standard systems ensure greater income, to offset the costs of achieving and demonstrating the necessary sustainability performance?

Implications for each type of supply chain actor: How brands vs importers vs exporters should operationalise this

Living income gaps in projects addressing subsistence farming to commercial transition

From theory to practice

Segmentation

What specific topics would you like to explore further in future events?

Alignment and lessons
learned from all initiatives

How would you like to engage with the Living Income Community of Practice?

Q&A form that is always accessible - that we can contact you with technical questions

In person presence at New York climate week

Id like to subs newsletters

co-join a project


Connect with experts for our network and database at CBI

Upcoming LICOP events



This workshop will provide a valuable opportunity to foster **deeper engagement, collaboration, and knowledge sharing** among stakeholders actively involved in implementing **living income initiatives across Latin America.**

Relevant Living Income events

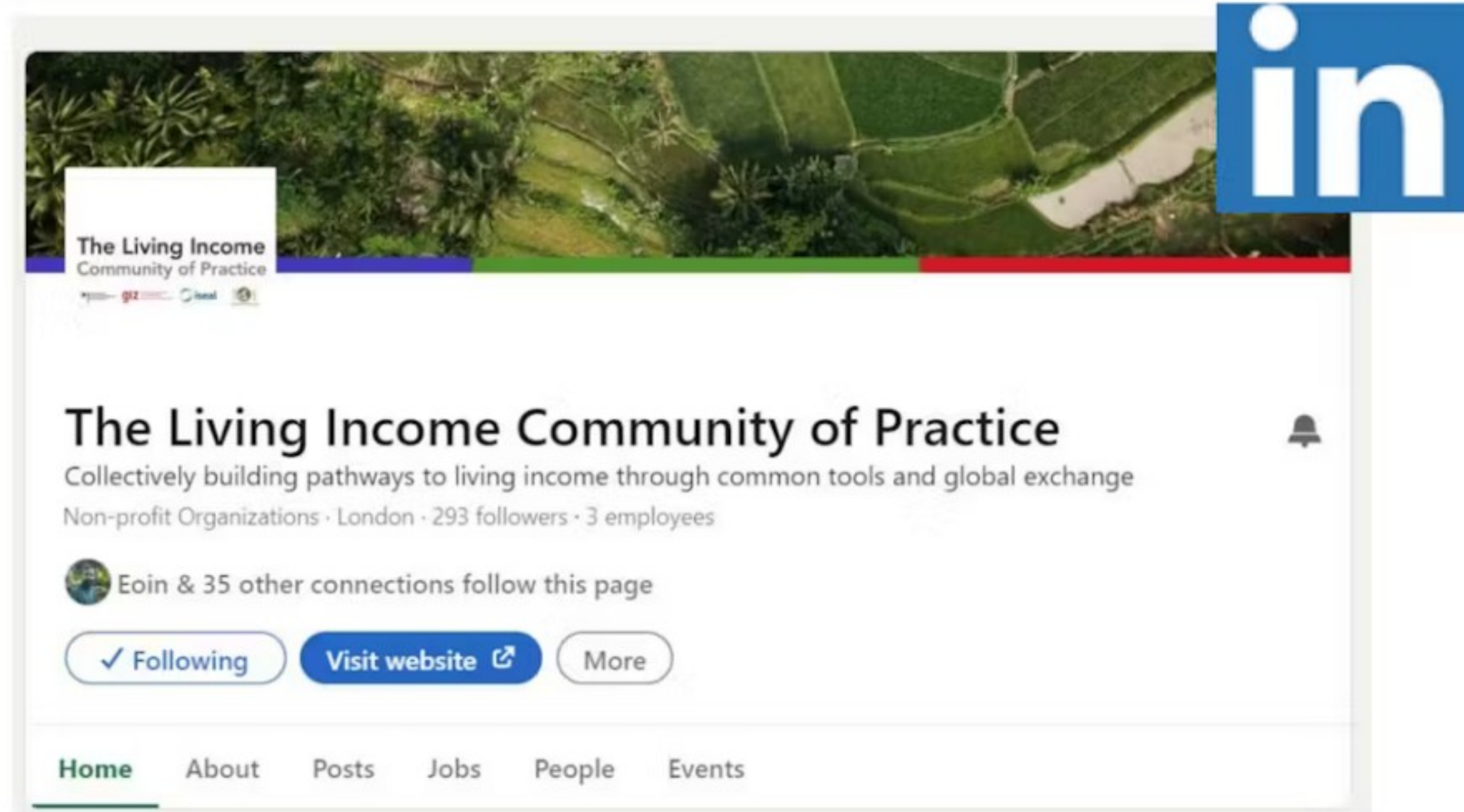


Cocoa Household Income Study Methodology

New methodology for measuring cocoa farmer household income promises to serve as a strong standard for the sector.

The Alliance on Living Income is hosting a webinar on Tuesday 12th November, from 15:00 – 16:30 CET. This webinar **will explore the Cocoa Household Income Study Methodology and share insights on the first results from Ghana, Ivory Coast, and Cameroon.**

To join this community, we invite you to follow us on our social media and sign up by clicking on the form.



Sign up to our mailing list!

Join our mailing list to be kept informed of all upcoming webinars, activities and new resources.

Subscribe

* indicates required

First Name *

Last Name *

Email Address *

Organisation *

Country *

Organisation Sector

- ☐ Cocoa
- ☐ Coffee

The Living Income Community of Practice

Implemented by



Supported by the



Thank you

This content was made possible thanks to
the support of our financial partners.



Implemented by



Supported by the



Where can I find more information on Living Income or Living Wage?

The Living Income Community of Practice

www.living-income.com/living-income-benchmarks

LICOP has a variety of publications and resources to understand better these concepts.



<https://www.idhsustainabletrade.com/living-wage-identifier-tool/>

The **Roadmap on Living Wages**, offers solutions for measuring and closing living wage gaps. Analysis on [living income in coffee](#).



www.globallivingwage.org

Thresholds of living income and reference values available in **26 countries**, with application in **multiple industries**



www.align-tool.com

Website aiming to host information on all **living incomes and living wage benchmarks**