

Lessons learned from working with vulnerable groups in the field of small and micro enterprises for the creation of sustainable livelihoods.

Abstract: In this paper the concept of vulnerability is defined as a condition of defencelessness which makes people more prone to risks and to experiencing shocks without the ability to cope with damaging losses. According to this definition, extremely poor people who lack multiple forms of assets are very likely to be described as vulnerable groups. The NGO APT Enterprise Development, specialising in the development of small and micro enterprises (SMEs), has chosen as its target these vulnerable groups thus working with disabled people, people affected by HIV/AIDS, victims of conflicts, inhabitants of slums and pastoralists living in fragile lands. This paper aims to highlight methods and practices that NGOs such as APT Enterprise Development have set up in order to address the particular condition of vulnerable people. Examples from projects implemented by APT and a programme run by another NGO, BRAC, show that a more holistic approach is needed. Interventions targeting vulnerable groups have to be tailored to their lack of particular assets in order to help them to respond more effectively to shocks. So far, most organisations working in the field of SME development have only provided vulnerable people with business development services and/or value chain analysis. The strategy set up by APT demonstrates that providing services others than SME development is possible when sustainable partnerships are established with organisations that have proficient expertise in fields such as social development, health care, education, security and urban planning.

Vulnerability and Vulnerable Groups

The word vulnerability is used very frequently in development, but most of the time in vague terms. The notion of vulnerability is often blurred with that of poverty. Nevertheless, the two terms have a substantially different meaning. While the notion of poverty is linked to the notion of lacking, deprivation, the concept of vulnerability is related to a condition of defencelessness vis-à-vis to risks and shocks (Chambers, 1989).

According to this definition, vulnerability can be deemed to have two different aspects, an external and an internal one. The external aspect relates to the risks and shocks to which an individual, a household or a community could be prone at any time. The main risks people commonly face can be natural disasters, wars, economic shocks, illness or death, or personal shocks. The internal aspect of vulnerability refers instead to the defencelessness and the difficulty, due to shortage of means, of coping with a shock without experiencing a harmful loss (Ibid.). People with disabilities, people affected by major diseases such as HIV/AIDS, marginalised groups or communities can all be

considered particularly vulnerable because of their peculiar conditions. This condition of vulnerability can in some cases be the trigger-cause dragging someone down below the poverty line who was previously well off. Moreover, vulnerable people living in poverty, face more obstacles to overcome their deprivations, because their weakness prevents them from taking advantage of gainful opportunities (Dercon, 2005).

Vulnerable groups are particularly difficult to reach with development interventions as they often need case-specific support. APT Enterprise Development, a UK-based organisation specialising in SMEs development, has chosen as its target vulnerable groups with the aim of alleviating their poverty (APT Enterprise Development, 2007a). The groups currently targeted by APT Enterprise Development are the following:

- people with disabilities in Uganda and Sri Lanka;
- people affected by HIV/AIDS in Kenya;
- people rebuilding their livelihoods after a conflict in Sierra Leone;
- people living in harsh conditions such as slums population in Kenya;
- people living in remote areas and fragile lands such as pastoralists in Kenya.

All these groups are considered by APT as vulnerable and therefore more easily prone to risks and shocks. What all these groups have in common is a scarcity of assets or the difficulty in accessing assets, making them therefore more vulnerable to possible shocks and less likely to recover without experiencing a consistent damage or loss. Despite this common characteristic, the vulnerable groups targeted by APT lack different kinds of assets, face different types of risks and need different solutions to their particular conditions.

People with disabilities both in Uganda and Sri Lanka face scarcity of assets related to their physical condition. Different kinds of disability can lead to different forms of exclusion from the access to resources (Albu, 2004). People born with a disability are less likely to be sent to school compared to their able-bodied peers and therefore often lack education and skills. Indeed, disabled people are more likely to experience stigma or even abuse throughout their lives than their healthy peers (Albu, 2004, and Jeans and Dharmapriya, 2006). Isolation from the rest of their community and discrimination can also cause them to internalise oppression. People becoming disabled as a consequence of an accident at work, can experience psychological traumas as well. Moreover, disabled people's physical conditions can influence negatively their mobility. This can lead to difficulty in reaching a health centre and accessing health care services. Their lack of assets and skills, their exclusion and their mobility problems mean that they are often unable to generate livelihoods for themselves and have to rely on their family support (Albu, 2004).

The same problems in accessing health care, together with constant weakness and an increased vulnerability to diseases, are usually experienced by the people infected with HIV/AIDS, targeted by the LIFE project in Kenya. Poor health conditions usually lower someone's capacity to generate livelihoods. Moreover, a family affected by HIV/AIDS can face a gradual loss of income and other resources due to healthcare expenses, hence being increasingly unable to cover these expenses (Munasinghe, n.d.). As with people with disability, people infected with HIV/AIDS are likely to experience stigma and exclusion from their community. The same form of isolation and discrimination is often reserved also for their family (Jeans, Makokha and Baiya, 2006). Mainly at the disclosure of the disease, HIV-positive people can suffer from psychological trauma and end in despair (Munasinghe, 2007). Additionally, the death of a HIV-positive head of the household can leave behind in the family only very old or very young people, often unable to provide livelihoods for themselves and to cope with further shocks and risks (White and Morton, 2005).

High levels of vulnerability are also suffered by people in Sierra Leone. After more than ten years of conflict, most of the people need to rebuild their livelihoods from scratch but they lack the resources to do so. The war has left the country with a scarcity of infrastructure and services. This makes the process of reconstruction particularly slow, mainly in rural areas. Most of the time people live in very harsh conditions, making them therefore particularly vulnerable to shocks. Furthermore, some people suffer now from different forms of disability and/or have experienced serious psychological traumas as a consequence of the war (Dawson, 2007).

Harsh conditions due to the unsafe living environment are also experienced by people living in Kenya's slums. People are more likely to be victims of crime, to live in unhealthy conditions, to face higher levels of unemployment and to lack basic infrastructure and land ownership. The inhabitants of the slums, being the most poor and disadvantaged, can also suffer from discrimination by the other inhabitants of the city and therefore lack access to the process of decision making. All these disadvantages affect the capacity of people living in slums to generate sustainable livelihoods (APT Enterprise Development, 2006a).

In Kenya, people living in very remote areas and fragile lands can experience high levels of vulnerability as well. Such vulnerability is mainly linked to the susceptibility to environmental shocks, leading to food insecurity. Moreover, remote areas often lack schools and health centres, leaving their inhabitants without the possibility to get a formal education or to be healed. Their isolation can prevent them from trading or from accessing information and resources (APT Enterprise Development, 2007b). Furthermore, people living in remote areas can also be part of ethnic groups facing discrimination or

social barriers (Miehlbradt and McVay, 2005). These are all key obstacles in the generation of livelihoods.

APT Enterprise Development aims to decrease the vulnerability of all these groups by building sustainable livelihoods through the development of SMEs. However, the challenge for APT Enterprise Development is to continuously find new solutions that are tailored to the targeted group, its context and particular condition.

Mainstream small enterprise development practice adapted to vulnerable groups

When the target of a project aiming to create sustainable livelihoods through SME development is a vulnerable group, it has been argued that intervention is needed both at the macro level in the market structure and at the micro level in the direct commitment with the targeted group (Jones and Snelgrove, 2006). While the emphasis on the intervention at the market chain level is important, sometimes it is also necessary to direct the intervention towards the weakest level of the market chain, which is often the producer or the targeted vulnerable group that is usually situated at the bottom of the market system (Ibid.).

In SME development practice targeting vulnerable groups, it can be deemed fundamental to design the project strategy according to the social context and situation of the targeted group (Ibid.). As discussed above, with regards to different types of vulnerable groups, the following main issues to working or opening an enterprise have been highlighted:

- health problems such as lack of energy, more vulnerability to diseases, time needed for rest and treatment;
- more need for sources of nutrition;
- stigma;
- lack of self-esteem and self-confidence;
- lack of support from families and communities;
- lack of marketable skills;
- lack of capital and initial assets;
- risk aversion;
- lack of information;
- mobility problems in accessing distant markets;
- scarce security of the surrounding environment;
- adverse regulations, particularly in ownership laws (Miehlbradt and McVay, 2005).

The following sections will illustrate how two different NGOs, APT Enterprise Development and BRAC, have adapted their expertise in SMEs development and

livelihoods generation to work with vulnerable people in order to increase their assets and reduce their vulnerability to shocks. While APT Enterprise Development is a small NGO based in the North and working mainly in partnership with Southern NGOs in the field of SMEs, BRAC is based in Bangladesh, is the largest NGO in the world operating mainly in the country of origin, and its economic development programme focuses not only on SMEs development but also on microfinance and social protection initiatives (BRAC, 2007a and BRAC, 2007b).

APT Enterprise Development approach

All the projects undertaken by APT Enterprise Development deal not just with enterprise and business issues, but also with the collateral problems that vulnerable groups tend to experience. Therefore, the solution envisaged by APT for coping with people's vulnerability is to also take into account social, cultural, environmental, security problems, therefore having a more holistic approach. APT has sought to create a virtuous circle where economic empowerment leads to better living conditions, and better living conditions lead to economic empowerment (Munasinghe, 2007).

However, although APT has a thorough expertise in enterprise development services, it does not have the capacity to provide other types of services occasionally needed by the different vulnerable groups. Therefore, the strategy adopted by the NGO in addressing all the multiple issues affecting vulnerable groups, has been the creation of partnerships with other organisations that usually provide the services required by the targeted group. For instance, in Uganda, APT Enterprise Development works in partnership with the National Union for Disabled Persons of Uganda (NUDIPU). APT is building the capacity of NUDIPU in enterprise development services. For its part, NUDIPU is applying its new capacity to DP while also offering them other supporting services. The project also aims to influence other enterprise development organisations into delivering services more inclusive of DP as well as working with DP local associations to change their mentality of "caring".

A successful approach implemented by APT to train DP in SME, has been the introduction of DP in apprenticeships or on-the-job training schemes. Since DP often lack basic education and have specific needs due to their physical or mental condition, they can have issues in participating in formal vocational training. APT has found that DP can receive more effective assistance and learn quicker when provided with ad-hoc training. Therefore APT, instead of providing DP with vocational training, organises for them apprenticeships by linking them with enterprises willing to train them.

The aim of the project in Uganda is not only to improve the marketable skills of disabled people (DP) and to increase their capacity to generate livelihoods through

apprenticeships but also to raise awareness about DP's rights and to change discriminatory attitudes towards them. Therefore, a fruitful method of changing discriminatory attitudes and building DP's self-confidence has been found to be the spread of successful role models focusing on DP's abilities rather than disabilities through advertising and mass media (Wabwire and Brewis, 2006). This method has also been implemented by a project targeting DP in Sri Lanka. The project, conducted in partnership with Community Based Technology Development (CBTD), seeks to provide DP with the skills to work in small businesses while at the same time to increase the awareness of DP's rights among their communities.

In Kenya, APT works in partnership with the local organisation Rural Education and Economic Enhancement Programme (REEP) with a threefold objective: to help people affected with HIV/AIDS to generate their livelihoods, to overcome stigma and to reduce the risks of the further spread of the disease (Jeans, Makokha and Baiya, 2006). As an outcome of this partnership, the project is able to target both the social and economic environment where people affected with HIV/AIDS live, and offer a package of services in physical and mental healthcare as well as enterprise development. The project has shown that enterprise development programmes, when integrated with health programmes are more likely to be sustainable. At the same time, livelihoods generation and economic empowerment have proven to be successful in improving the mental status and, when the economic activity relates to food generation, the health conditions of HIV-positive people. Fundamental for the sustainability of income generation activities is also the participation of family members who can support the HIV-positive person in his/her work during illness or weakness periods. The partnership between organisations and the holistic approach has allowed the project to focus also on the social aspect, addressing the stigma, improving people's awareness, and reducing the spread of the disease through the circulation of role models. An increased involvement in the community life has led to greater economic empowerment of many HIV-positive people. In turn, the economic empowerment of some HIV-positive people has been proven effective in further decreasing HIV-positive people's discrimination and isolation (Munasinghe, 2007).

The project run by APT in Sierra Leone is conducted in partnership with the local organisation Movement for Assistance and Promotion of rural Communities (MAPCO). As with the previous projects, this project seeks to increase the economic capacity of victims of a long conflict through income generating activities, but at the same time increasing their awareness of their rights and their ability to participate in decisions concerning their lives. MAPCO not only provides free or subsidised training, raw materials and equipment to start farming and enterprise activities. It also focuses on literacy, human rights,

HIV/AIDS sensitisation courses and support in the creation of community based organisations aimed at advocating for the access to services and representation in government organisms (APT Enterprise Development, 2006b).

The same holistic approach is applied by APT in partnership with SITE to address the social, economic and environmental needs of people living in slums in different areas in Kenya. APT and SITE provide people with links and networks to providers of multiple services such as financial, legal, sanitation, HIV/AIDS services as well as urban planning and housing funds. Slum inhabitants are asked to identify their priorities in social, economic and environmental issues. This approach, together with the emphasis on organisations' partnership in delivering services, aims to make people more aware of their possibilities, more able to make decisions, and to participate to their own development (APT Enterprise Development, 2006a).

The partnership with SITE has proven effective even in another project in Kenya, targeting this time pastoralists living in remote rural areas, who are very susceptible to climate shocks. The land where they live is often prone to droughts and their reliance on livestock makes them very vulnerable to food shortages, severe poverty, and sometimes even conflicts. The strategy adopted by the project is helping the pastoralists to diversify their livelihoods through the promotion of honey production and marketing, a traditional activity in the area. APT and SITE are not only providing training in bee-keeping and business management, and linkages to markets, but also training in cross-cutting issues such as gender, rights, HIV/AIDS and water management, one of the main cause of conflict in the area (APT Enterprise Development, 2007b).

BRAC's Income Generation for Vulnerable Group Development (IGVGD) Programme and Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor (CFPR-TUP) Programme

In 1987 BRAC set up a programme to target vulnerable groups of women in rural Bangladesh with no land, no or little income, and no husband: the IGVGD programme. This programme aims to benefit vulnerable women who cannot participate in micro-credit projects due to scarcity or lack of assets (BRAC, 2007b). To address this issue the project, conducted in partnership with the World Food Programme (WFP) and the Bangladeshi government, has adopted a twofold strategy. It seeks to generate livelihoods for the targeted women combining protection policies, such as the donation of wheat rations, with promotion policies, such as training in income generation activities (Matin and Hulme, 2003).

With time the project strategy has evolved and besides food grants and the training in enterprise development and social awareness, women can also access saving schemes

and micro-credits, with no collateral required but the participation in the training. The women are also encouraged to participate in village organisations to build social networks and participation (Matin, 2002). These new measures have been introduced in the programme to speed up the process of livelihoods building and to enable the beneficiaries to start their small enterprise. Hence, nowadays in the IGVGD programme the promotional component of the strategy tends to be predominant (BRAC, 2007b).

Even though the IGVGD programme has proven to be highly successful in reaching women excluded from more traditional microfinance programmes, it has been claimed that some women are still not able to access the programme or, even if they do, they have to drop out after having experienced new shocks (Matin and Hulme, 2003). The dynamic approach to poverty reduction adopted by BRAC has led the organisation to design a new programme, the Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor (CFPR-TUP), in order to have a wider outreach. The CFPR-TUP programme combines the livelihoods protection and promotion strategy of the IGVGD programme with a more multidimensional strategy aiming to provide the very vulnerable with the additional inputs they need to develop and to overcome shocks. Indeed, it has been recognised that a more holistic approach is required to help the very vulnerable with no assets out of their condition of precariousness (Ibid.).

This is why the CFPR-TUP programme includes, apart from the enterprise development training and food grants, other fundamental services such as the transfer of financial and/or material assets under the form of, for instance, livestock and poultry rearing; the provision of health care services and education in health issues; emergency or shock loans; and social development services under the form of counselling in livelihoods strategies and household support during crises or shocks (BRAC, 2007b). This multidimensional approach focuses on risk prevention and support after shocks. For instance, the provision of low-cost health services has been found to be extremely beneficial in decreasing the risk of illness, death and loss of livelihoods as well as in addressing the loss of income due to health expenses (Masud Ahmed, 2006).

The two programmes developed by BRAC can be considered overall extremely effective in targeting the very vulnerable. However, it has been argued that social protection programmes remain the only effective means to reach the most vulnerable, namely people with no assets who can not be economically active, such as elderly people or people with severe physical or mental disabilities (Matin and Hulme, 2003).

Conclusion

Even though targeting the most vulnerable people could be deemed extremely difficult without using pure social protection measures, both APT Enterprise Development and

BRAC seem to have found effective and innovative approaches to support vulnerable groups in the generation of their livelihoods. They have combined more general approaches to SME development such as business development services and value chain analysis with more ad-hoc interventions to their target groups. As highlighted in the previous sections the main innovative approaches used by APT and BRAC in promoting SME development for vulnerable groups, include:

- Providing vulnerable people with apprenticeships targeted to their needs instead of formal vocational training;
- Establishing links with entrepreneurs willing to train vulnerable people on-the-job;
- Facilitating family support in the management of an enterprise;
- Facilitating group co-operation in the management of an enterprise;
- spreading effective role models through the media to fight against discrimination and to promote attitude change;
- Combining protection with promotion policies.

All these interventions have been successful in the case of APT and BRAC and could be implemented by other organisations aiming to make their programmes more inclusive of vulnerable groups. Furthermore, it would be helpful to explore the targeting criteria set by the organisations in order to give enterprise practitioners a more comprehensive picture of how to work with vulnerable groups. A participatory approach involving the poor communities themselves in the identification of the most vulnerable among them would be the ideal approach for a non-biased targeting. However, it would be interesting to know whether both organisations use such an approach and according to which criteria they consider a person vulnerable.

Examples from both organisations have shown that vulnerable groups can improve their condition through SMEs but they also need support in many other aspects of their life in order to be less prone to risks and shocks. Therefore, what is important when targeting vulnerable groups in the field of SMEs is to adopt a holistic approach. This means understanding the different contexts and situations faced by vulnerable groups, and designing interventions accordingly, addressing their scarcity or lack of assets in multiple areas such as business development, health, education, infrastructure, social stigma, security, access to credit, and access to information (Miehlbradt and McVay, 2005).

As APT's approach shows, a viable way for a small organisation to assist a vulnerable group in building all the assets it needs, is to create effective partnerships with other organisations. Indeed, an organisation usually can provide only a limited range of services which can be integrated with the support of other organisations specialised in

the provision of complementary services. Alternatively, a large organisation can also develop expertise in different fields, thus being able to intervene on different fronts through the integration of the work of different divisions. To conclude, it can be suggested that the role of organisations working with vulnerable groups in the field of SMEs can be deemed sustainable only if expanded to other fields of action through valuable partnerships or through enhanced expertise.

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