



# Webinar

## Assessing the living standard with the new **method 'Neighbour'**

### *Case study of a banana plantation*

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# Summary

01

## The challenges of assessing the 'social aspects' of agricultural products

➤ Denis Loeillet

02

## Case study on a banana plantation

➤ Anaïs Falk

03

## The Neighbour method

➤ Catherine Macombe

04

## Position of the Neighbour method among the families of methods

➤ Catherine Macombe

05

## Various possible applications

➤ Catherine Macombe

06

## Conclusions

➤ Catherine Macombe et Denis Loeillet

01

## The challenges of assessing the 'social aspects' of agricultural products



## Drivers of change in agricultural sectors



### Hard law

Examples :

- ✓ Green deal and mirror clauses
- ✓ Due diligence
- ✓ Maximum residue limits of mancozeb



### Soft law

Examples :

- ✓ Collective initiative : Initiatives Cacao durable, Initiative Banane Durable,...
- ✓ Distributors' term of reference
- ✓ Brands / Labels / Certifications



### Technical limits

Examples :

- ✓ Invasive diseases and pests
- ✓ Decline in fertility
- ✓ Effects of climate change



### Awareness of challenges

Stronger demand for 'sustainable' consumer products

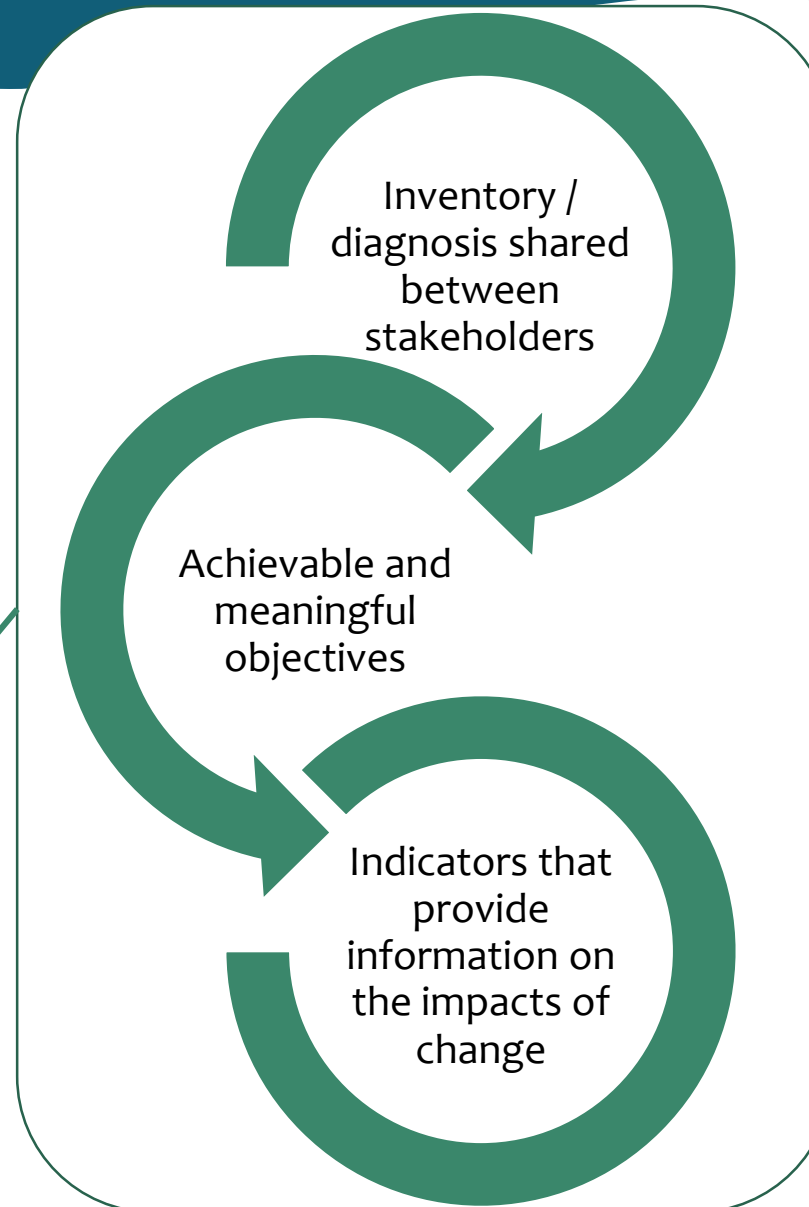


### Marketing

Valuation by companies of their transition efforts

A need to assess the  
impacts of transitions to  
change reality for the  
better

The « NEIGHBOUR » METHOD



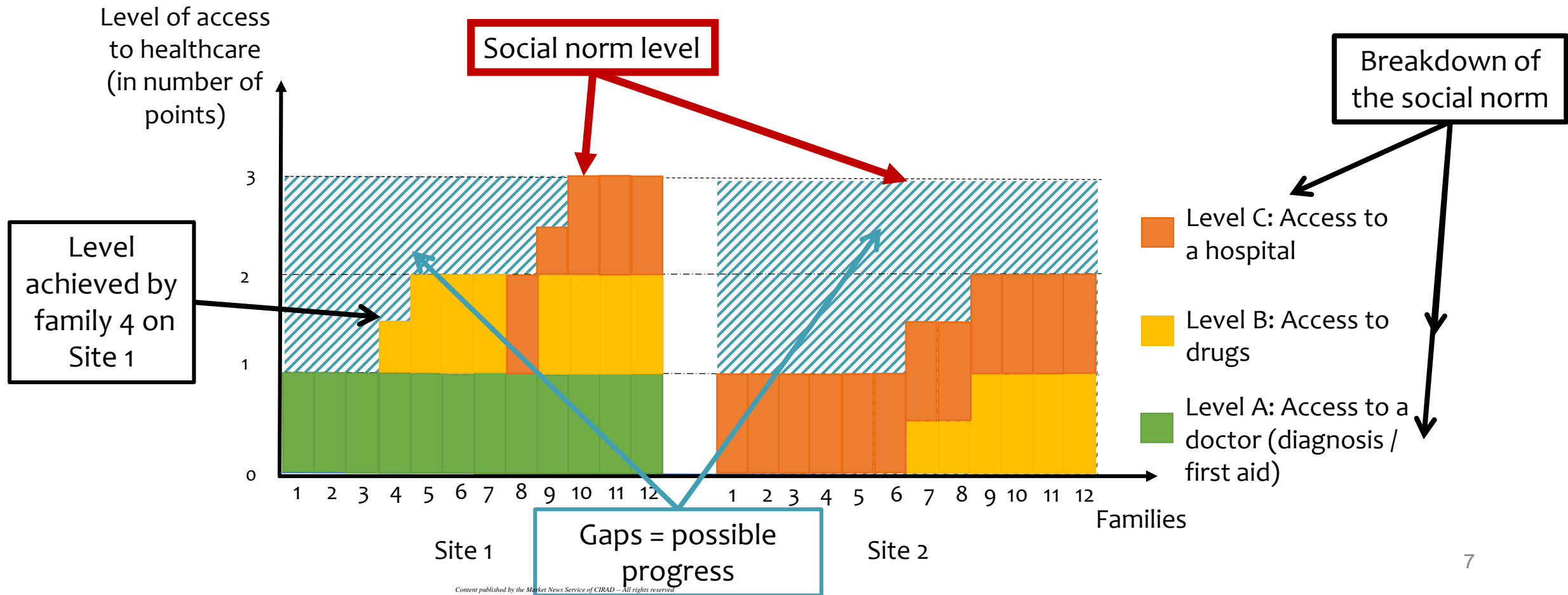
02

## Case study on a banana plantation



## Histogram for 2 sites and the service « access to healthcare »

*Theoretical example*

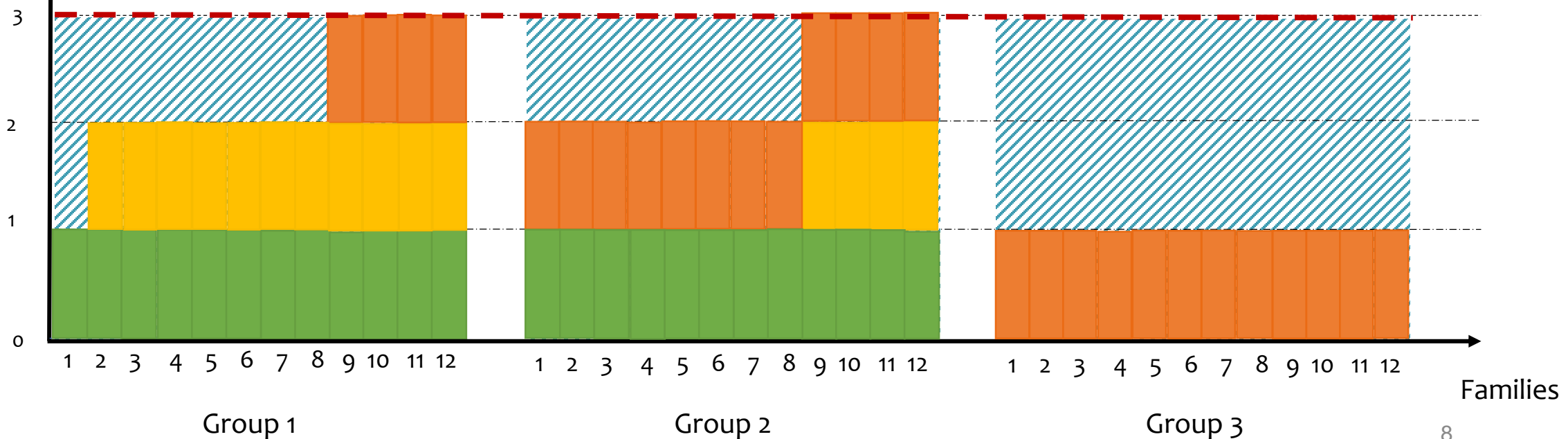


## Histogram for 3 groups of families and the service 'access to healthcare' *Theoretical example*

Level of access  
to healthcare  
(in number of  
points)

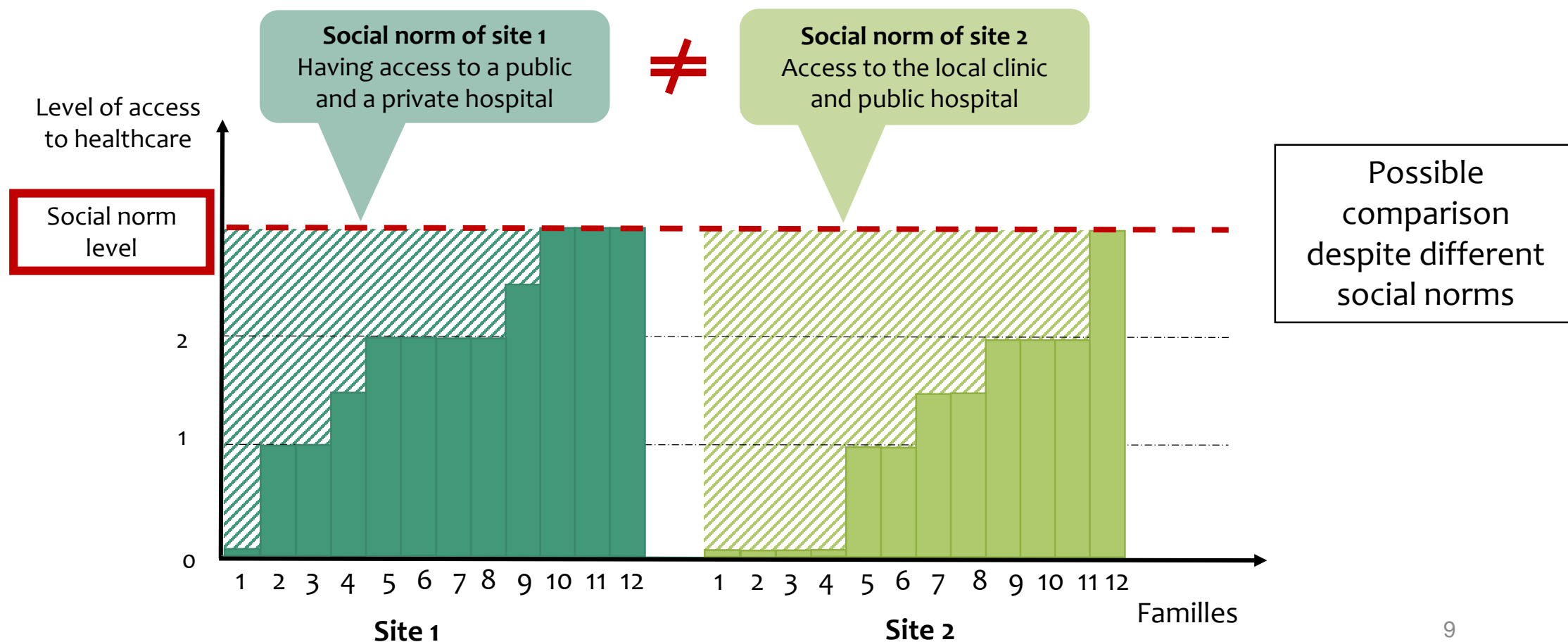
Social  
norm  
level

- Level C: Access to a hospital
- Level B: Access to drugs
- Level A: Access to a doctor  
(diagnosis / first aid)





## Histogram for the service 'access to healthcare' for two different sites *Theoretical example*



## How to do it on the field ?



Selection of services to be investigated and families to be interviewed

- thanks to the stakeholders (in the broad sense)
- thanks to the plantation and its CSR department!
- thanks to the first families interviewed themselves



We are trying to get the families interviewed to say:

- What is the level of the social norm for each service (collective) ?
- What is the level achieved for the family?
- How is the social norm broken down?



Each interview is analysed → histograms :

- Showing the social norm level
- The level reached by the family
- The breakdown of the service



Results are reported



03

## The Neighbour method: objectives and principle



## The objectives

- ✓ Creating a method to assess the **living standard** of agricultural workers' families or small farmers
- ✓ That is applicable to workers in globalised industries in the South, even when there is **no market** for certain services, or when their quality is not good



## The principles

- ✓ The living standard is correct ⇔ correct access to **basic services**

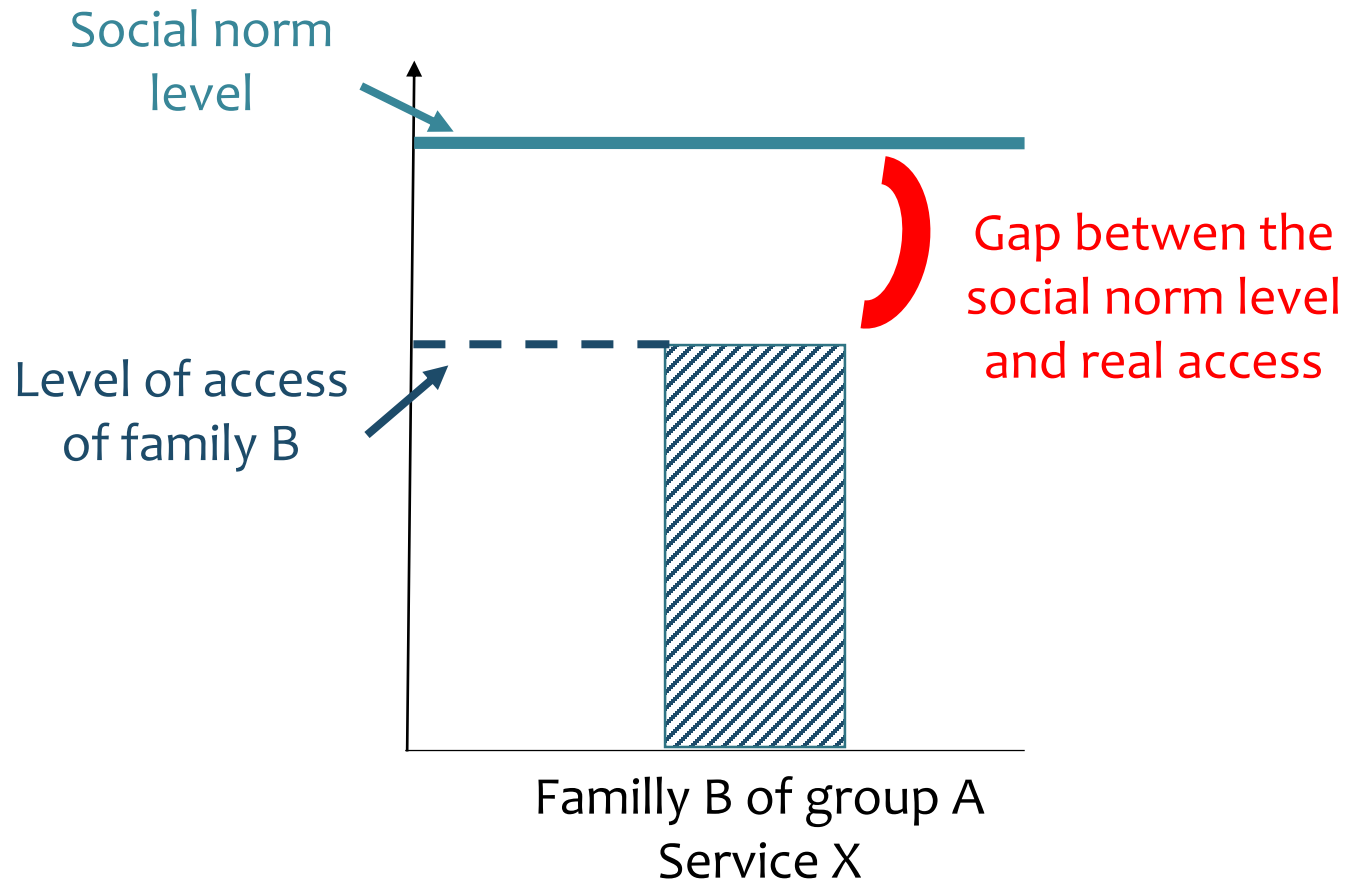


Etc.  
● ● ●

- ✓ The size of the “gaps” (between the level of access to basic services and the social norm) is compared



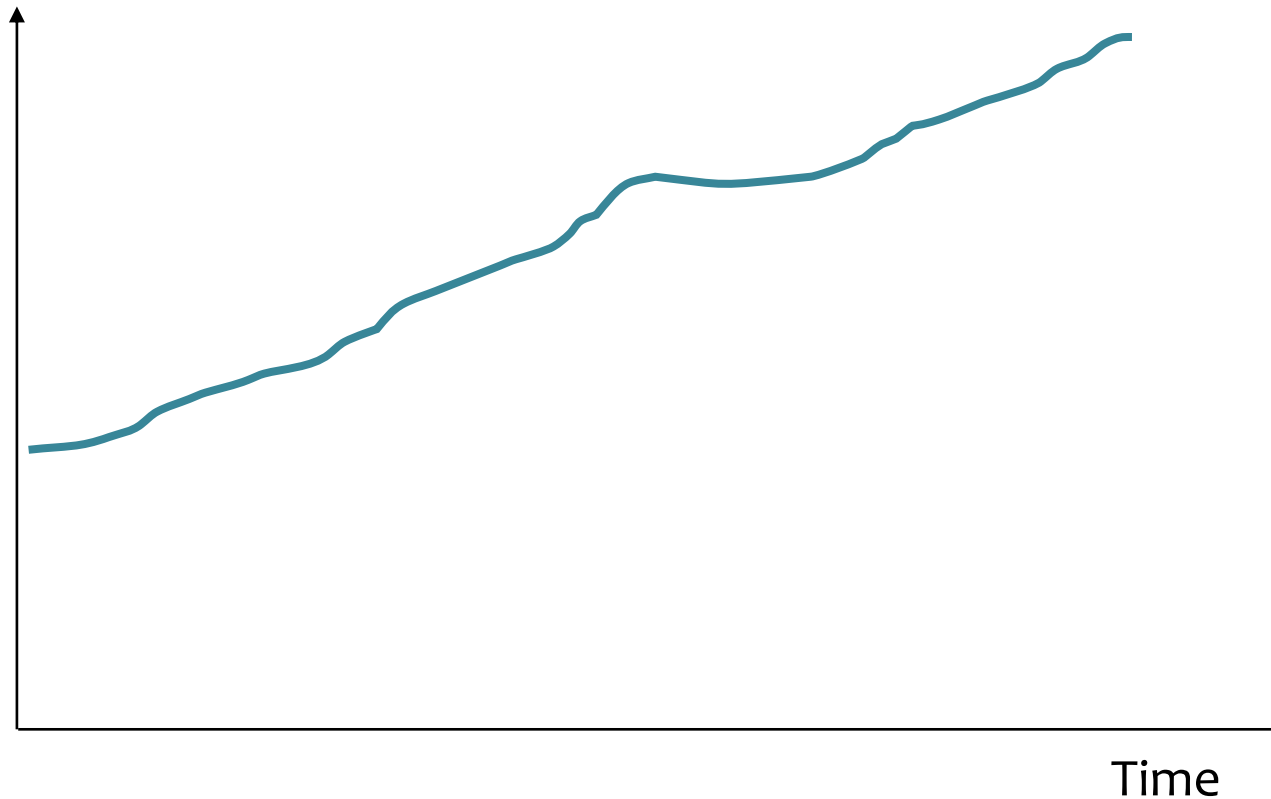
## How to assess the gaps ?



- The level of access to the service is judged by the families;
- It relates to a given group of families;
- It is assessed by comparing the levels of average access achieved with what is considered normal by the group.

## For what purpose ?

Social index



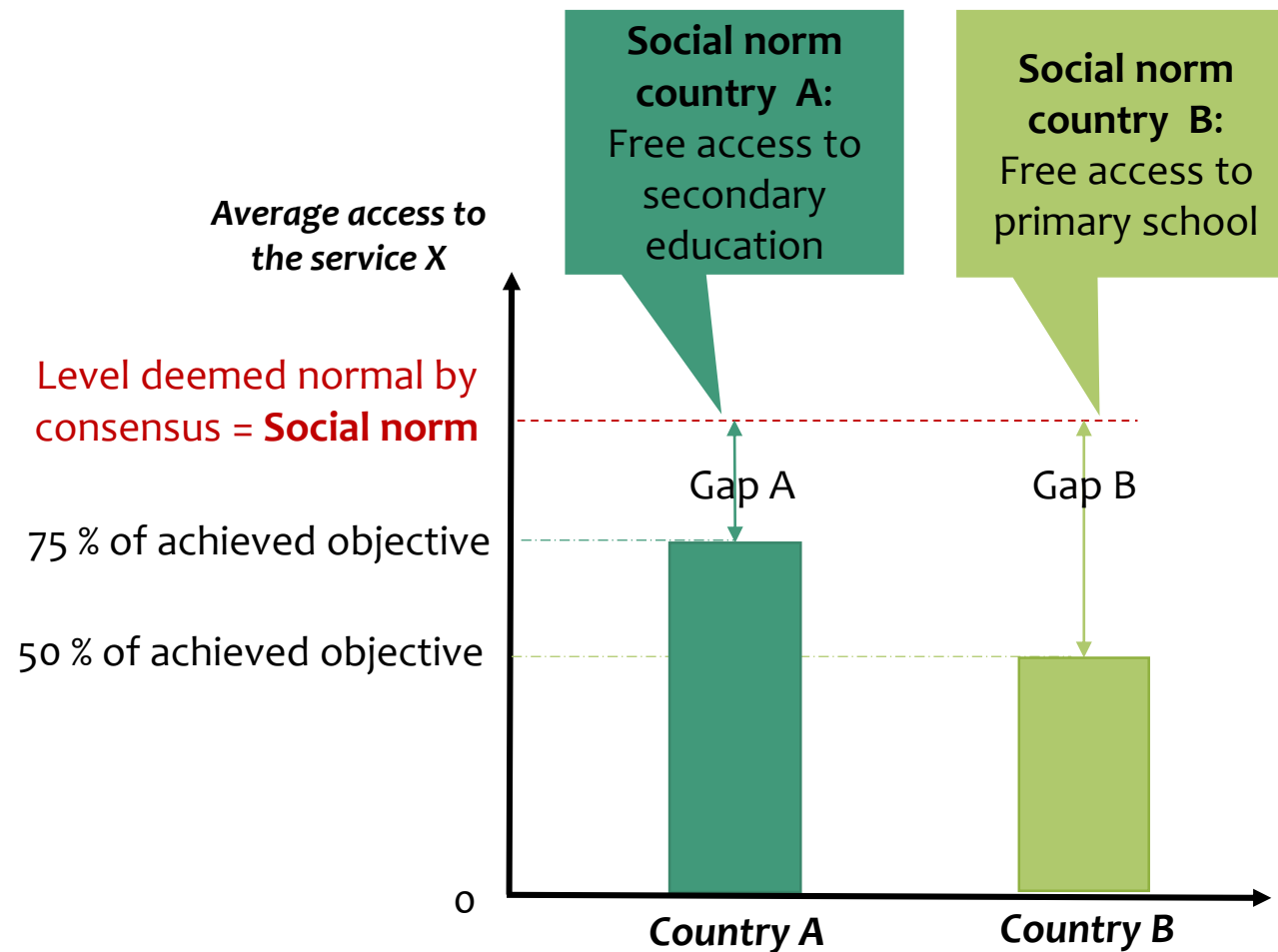
Very close to social reality



This method leads to "progress contracts" on at least some services.

The originality of **Neighbour**: refers to the level of the local social norm

Between two countries/sites, it is the gaps that are compared



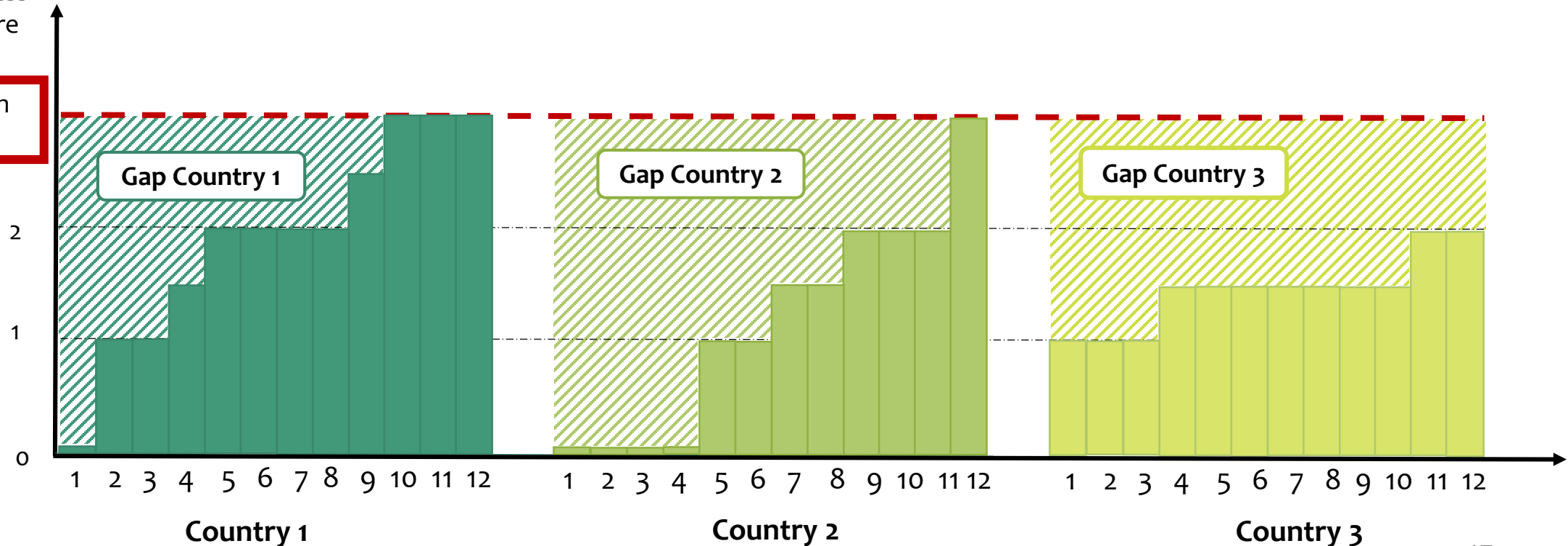


# Histogram for the service « access to healthcare » for 3 countries

*Theoretical example*

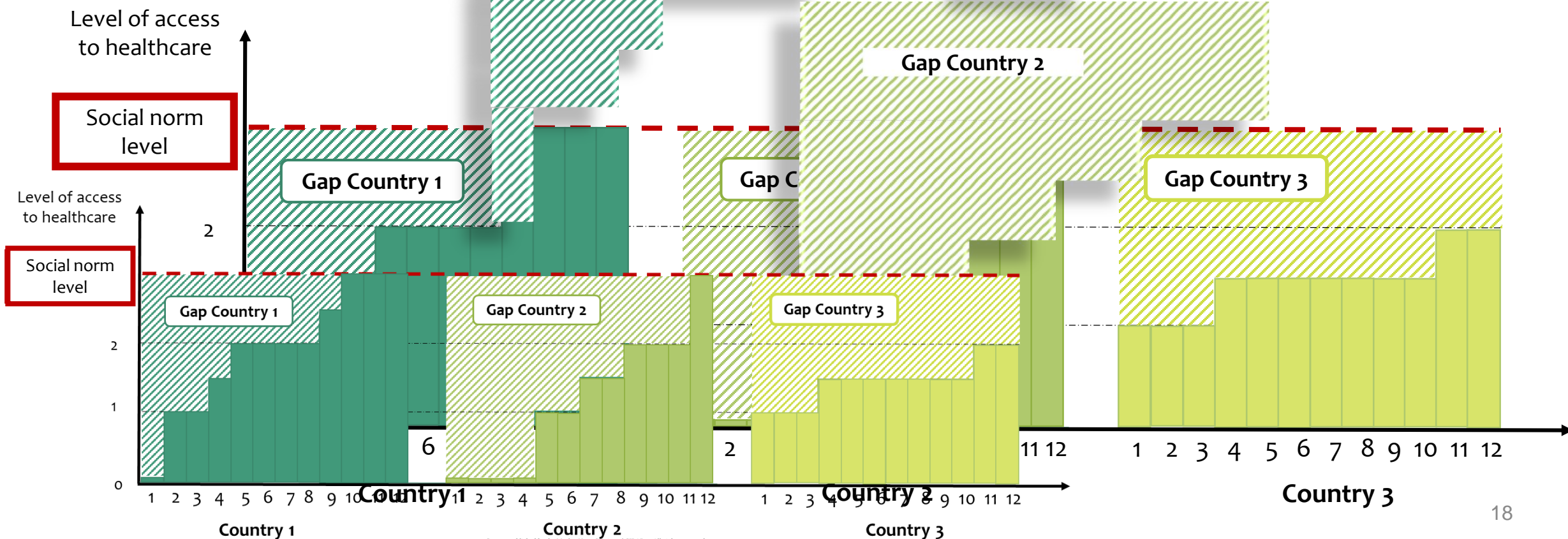
Level of access  
to healthcare

Social norm  
level

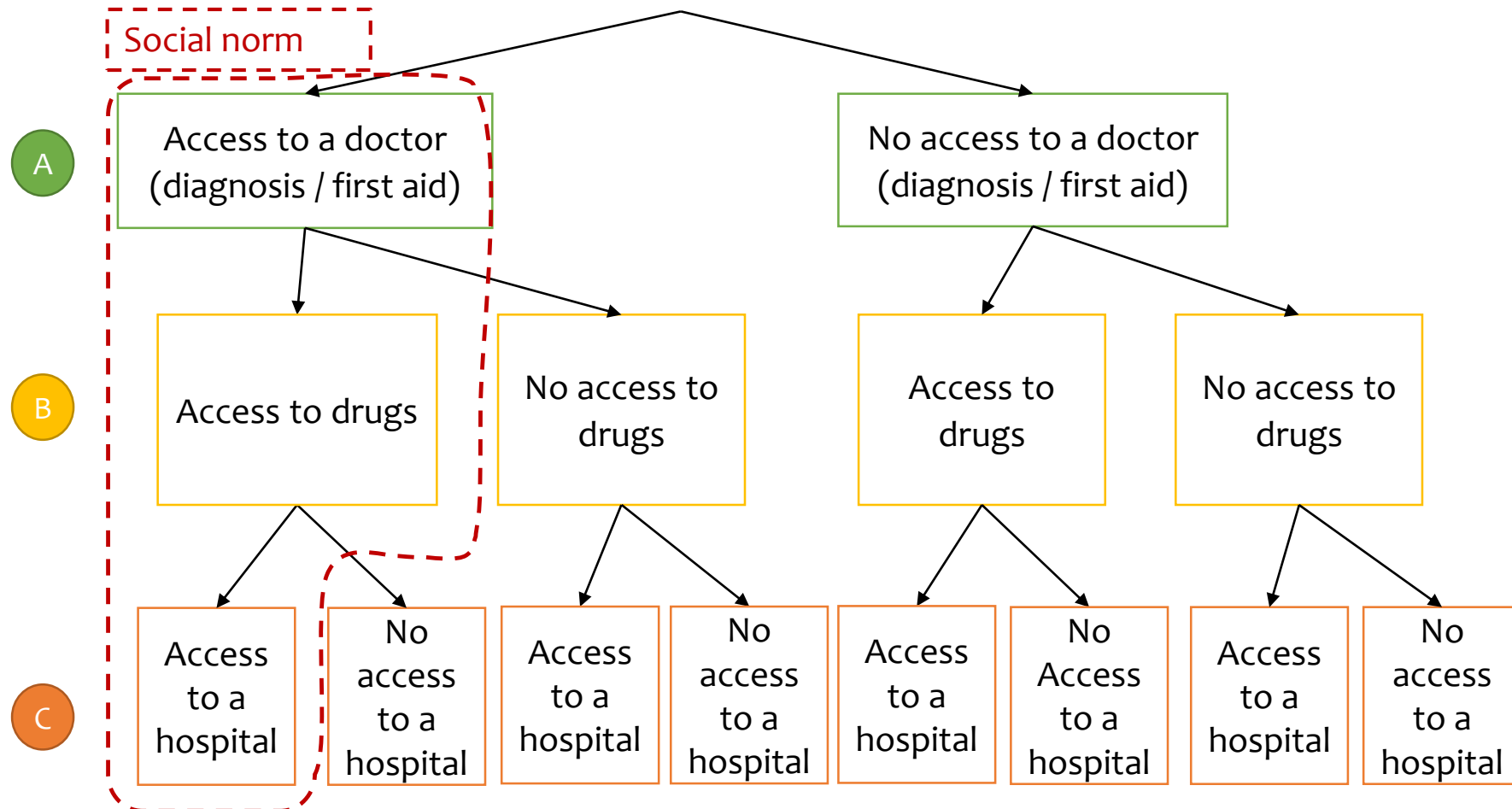


# Histogram for the service « access to healthcare » for 3 countries

Theoretical example



## How does the social norm break down? example of the "access to care" possibility tree



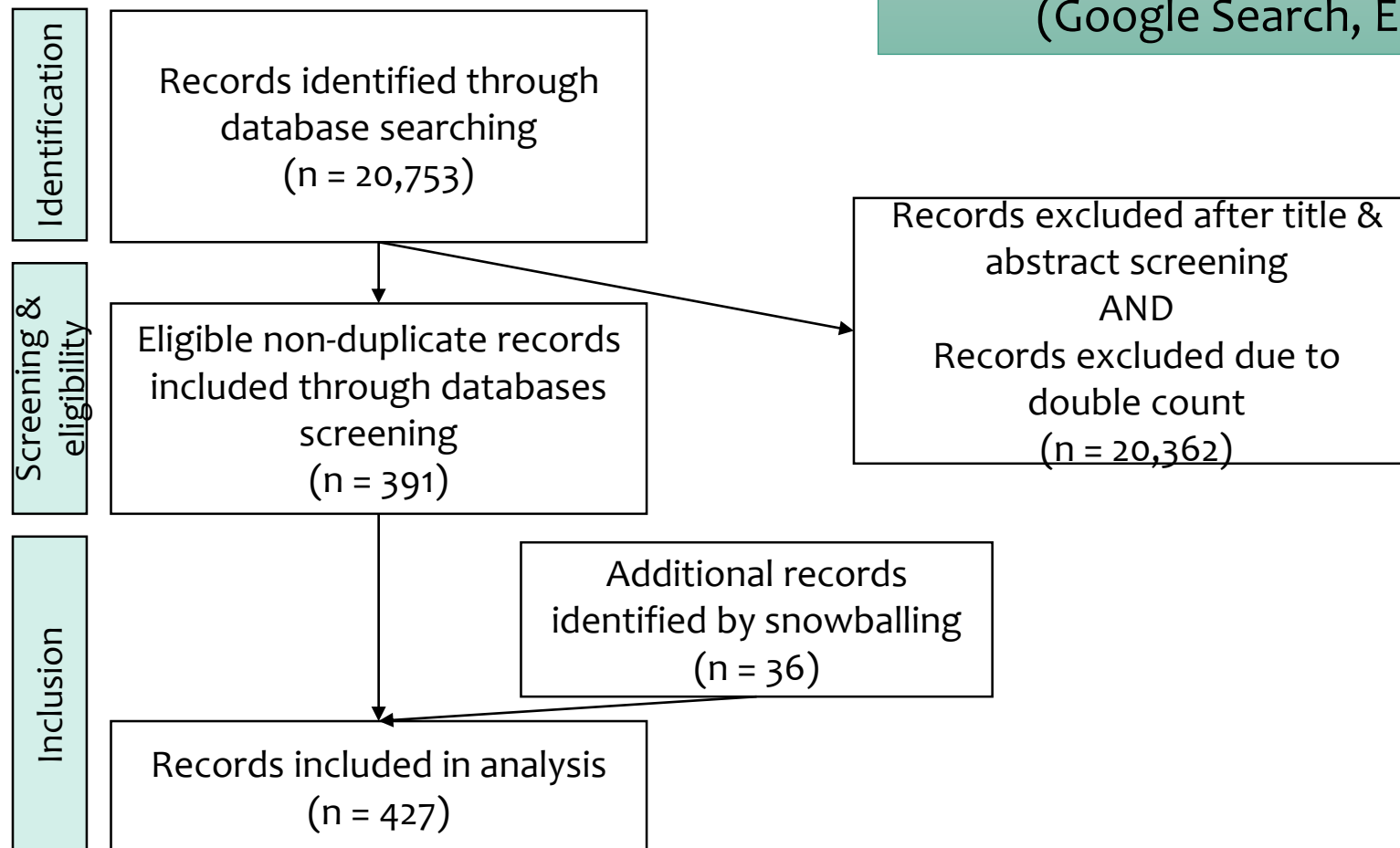
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## Position of the Neighbour method among the families of methods

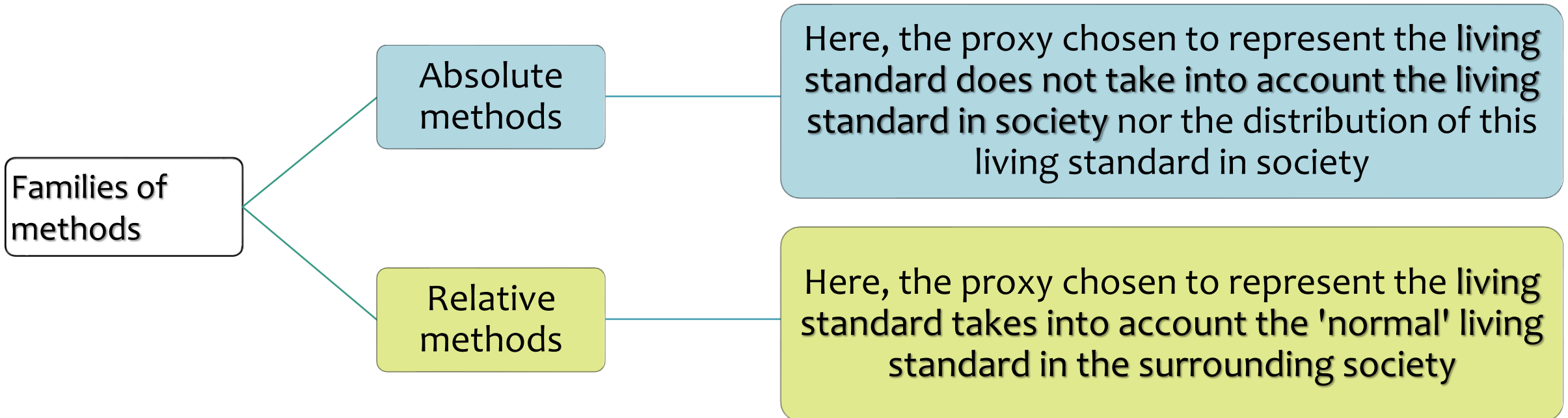


## Used methodology

Research on living standards / living wage assessment methods on 3 databases (Google Search, EconLit, Scopus)



## Families of methods





## Absolute methods

OPHI, 2018

Absolute deprivation score methods

Physiological deprivation score methods

Gamboa & Forero, 2009;  
Steckel, 2008

Monetary budget methods

Morris, 2003;  
Haveman & Wolff, 2005;  
Anker, 2011

Budget methods based on food/energy

Ratio methods

Orshansky, 1963;  
Podolok, 1968;  
Widolo, 2006

Nashihin, 2009;  
Greer &  
Thorbecke, 1986;  
Tarp et al., 2002

## Relative methods

Ravallion, 1992, 1998;  
Ravallion & Bidani,  
1994

Relative budget  
methods based on  
food

Relative budget  
methods

**Rowntree** in  
Bradshaw,  
1993; Living  
Wage  
Foundation

Income or  
consumption  
proportion methods  
methods

OECD, 1976;  
O'Higgins & Jenkins  
1988; Ringen, 1987

Consensual methods

**Middleton**, 2000;  
1993; Bradshaw et  
al., 2008;  
Goedhart, 1977;  
Dubnoff et al., 1981

Relative deprivation  
score methods

**Townsend**, 1979; Alkire & Foster, 2011;  
Scoones, 1998; Chambers & Conway,  
1991; Saleth & Swaninathan, 1993)





## Consensual methods

Middleton, 2000

- Deprivation depends on a social norm;
- The social norm is set by the people concerned.



## Relative deprivation score methods

Townsend, 1979

- Deprivation depends on a local social norm;
- People may be deprived of goods or services;
- The monetary value of these goods or services is not available.

## Neighbour

- ✓ Important basic social services are considered;
- ✓ The important basic services are chosen according to the survey population and the possibilities for progress of the enterprise;
- ✓ The comparison of gaps allows for comparisons between sites.

## Characteristics of Neighbour

### Characteristic 1

The method approaches **living standard** of an individual or household directly or indirectly.

### Characteristic 2

The method is suited to situations where there is **no price defined for certain basic services** for populations, and it can work without assuming the existence of a monetarised market for the service.

### Characteristic 3

The method takes into account the **representations** of the people concerned as to what is important for their living standards, without projecting the prejudices of other societies onto the field.

### Characteristic 4

The method enables **meaningful and complete comparisons** between countries and sectors, including when the socio-economic contexts are very different.

## 'Living wage' method

**Objective = increase the wages (individual)**

*Determine baskets of monetised goods and services to determine the 'living wage' in a given country*

### Interests :

- Numerical method → easier to use as an indicator
- Quick to calculate



**COMPLEMENTARY**

## Neighbour method

**Objective = increase level of services (collective)**

*Identify gaps in access to services compared to the local social norm, for different services important to the people concerned*

### Interests :

- Works in the absence of markets
- Gives voice to the people concerned
- Allows prioritization of needs
- Allows service-to-service comparisons

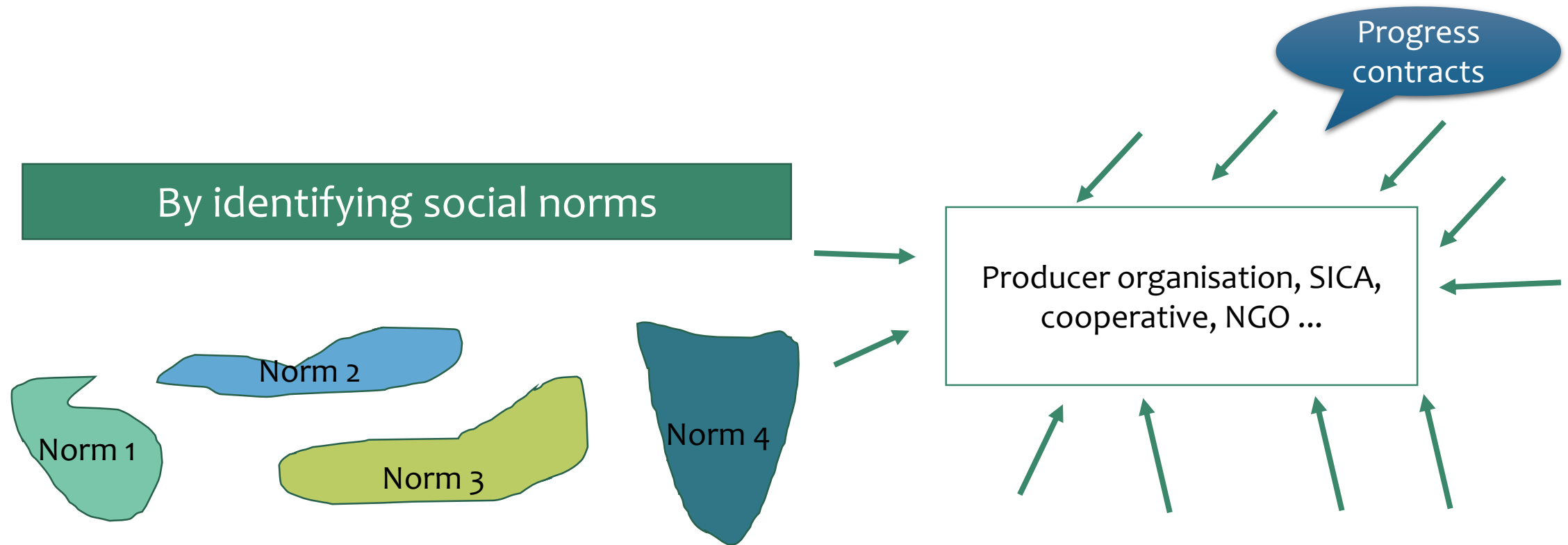
**DIFFERENT  
OBJECTIVES  
AND  
INTERESTS**

05

## Various possible applications



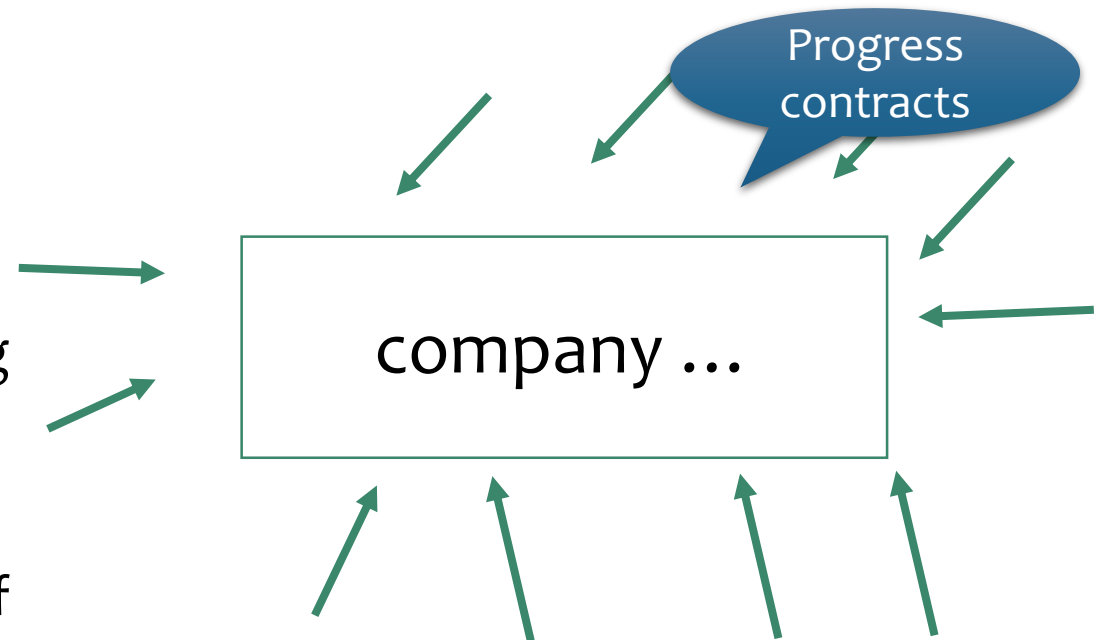
## 1) Applies a priori to small-scale farmers



## 2) Applies to **sectors other** than agriculture, in a developing country

*E.g.: living standards of textile workers*

- **There is a need for corporate commitment**
- Identify important services by interviewing stakeholders/ some families;
- Conduct interviews with the selected sample of families to identify social **norm/s** and **gaps**.

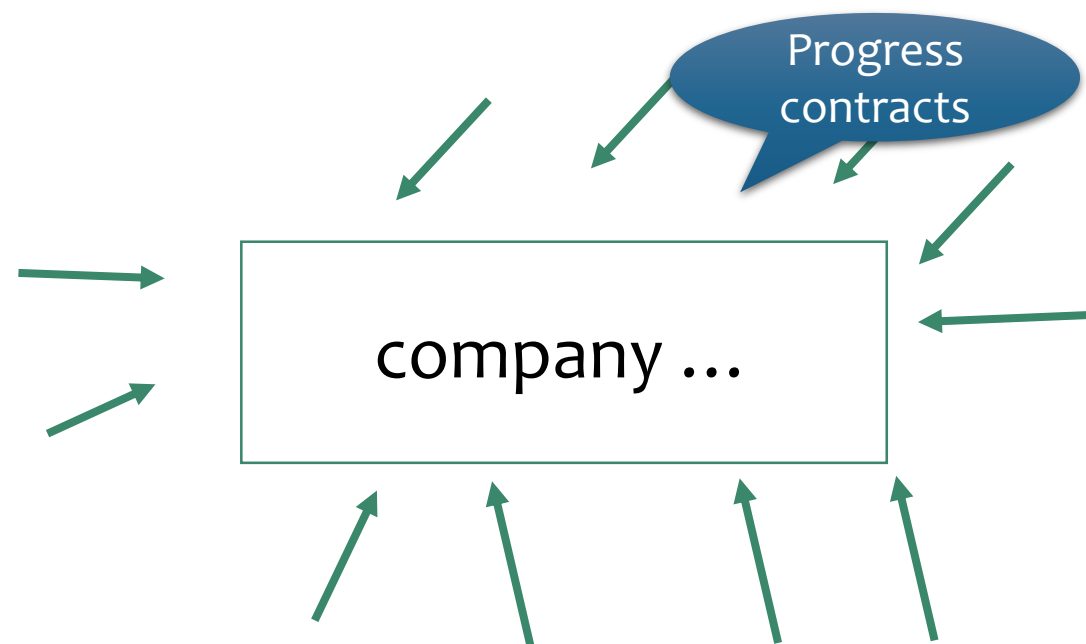


### 3) Can the Neighbour method be applied in a **developed** or **emerging country** ?

a priori: not useful!

Whereas... Neighbour is interested in ACCESS to services

- Interesting to check/improve access to service
- Relativised by local social norm



E.g.: In France, a large number of potential beneficiaries of social aid do not really have access to it.

E.g.: Some important services for the ecological transition ("Ma prime Rénov' ") are not used as intended

06

## Conclusions





- Neighbour is a method to assess the **living standard** of working class families that was completed quickly (less than 6 months).
- It was tested for workers in a globalised industry in the **South**.
- Which allowed for **comparisons** between sites.
- Which will lead to "**progress contracts**" for certain services, depending on the company's goodwill and resources.
- Which has facilitated the company's **internal social dialogue**.

- **Regular involvement** of the employer/producer group/NGO is essential;
- **Finding** families to interview requires time and access to the field;
- Conducting the interviews requires **expertise**;
- To **compare** 2 sites/countries, the same services need to be addressed in both sites/countries.

- Neighbour can assess the **living standards** of small farmers / workers / ... and is completed quickly (less than 6 months).
- Applicable to **any type of value chain**.
- Allows **comparisons** between sites.
- The aim is to lead to "**progress contracts**" either by the company/producer group/NGO/... or between suppliers and principals.

- Neighbour is published and accessible to all.
- CSR departments can use it to carry out assessments of access to important services for the populations they want to improve.
- This method is compatible with the requirements of due diligence, certifications, specifications, etc. between suppliers and clients.

Feel free to use it!

# Questions / Answers





# Thank you for your attention

For more information: [denis.loeillet@cirad.fr](mailto:denis.loeillet@cirad.fr)

Video of the webinar available on <https://www.fruitrop.com/>

To know more about the 'Neighbour' method :

<https://www.fruitrop.com/en/Articles-by-subject/Economic-analyses/2023/The-Neighbour-method>

The link to the scientific article published on the method:

<https://doi.org/10.3390/su141710794>

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