

Linking Sustainable Livelihoods to Natural Resources and Governance in OIC Countries: Prospects and Challenges

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This article investigates natural resource endowment and good governance, and the extent to which these two variables impact sustainable livelihoods in the Organisation of Islamic Conference (OIC) member countries. This study draws heavily from secondary data. The findings revealed that countries having better scores in good governance performed better in more than one of the selected livelihood indicators. Performances in the selected indicators for sustainable livelihoods and good governance vary markedly among the countries, which underscores the need to intensify the existing collaboration. The study has proposed a collaboration model that is all-inclusive seeking to enhance development collaboration among the OIC countries.

1. Introduction

Undoubtedly, the OIC member countries are endowed with natural resources prominent of which are oil resources. It is not an overstatement that these countries constitute the cream of the Muslim World with respect to their total population and the available stock of resources. Therefore, it will not be misplaced expectations that these resources should engender appreciable level of social and economic development in the OIC member countries. Although contestable, that the prevailing level of socio-economic development in the majority of

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the OIC countries can best be described as dismal is a fact; especially in scaling up livelihood opportunities for the poor. The pace of development expected to bring about the much desired improvements in poverty reduction or livelihoods sustainability has not been encouraging in many of these countries. This paper, therefore, examines the inherent challenges, the realities and to explore a workable mechanism that will improve livelihoods through effective natural resource utilization and good governance in the OIC member countries.

Good governance is an essential factor in ensuring sustainable social and economic development. Good governance is conventionally interpreted as synonymous with sound development management. A myriad of factors contribute to sound development management. Of great importance is for the state to pursue well-orchestrated development policies devoid of any defects, inefficiencies and corruption. Being able to check to the barest minimum or completely stamp out corruption and inefficiencies will go a long way to improving livelihoods as this will allow programmes and projects to successfully reach their targets.

It is no secret that many of the OIC member countries are among the least-developed nations of the world, while paradoxically, many of these countries are the world's leading oil-producers. Again, many OIC member countries are unlikely to meet the targets enshrined in the Millennium Development Goals, especially reducing abject poverty and chronic hunger. What factors are responsible for this unfortunate scenario and what then needs to be done? What responsibilities should the better-off member countries, especially the richer, oil-producing countries, assume to prevent the less fortunate members from sinking further with human poverty and deprivations? Should that come in a form of intensifying collaboration among these countries or by simply giving development aids (or development hand-outs literally) to the less developed member countries? The main objective of this paper is to address these questions. The paper is organized as follows: The first section is an introduction that gives an overview of the study; The linkages among sustainable livelihoods, natural resources and governance are examined in the second section; Prospects of scaling up livelihoods in the OIC countries are examined in the third section; Section four assesses the challenges to scaling up livelihoods in the OIC countries; Research methodology is discussed in the fifth section; Results are presented in section six; The seventh section discusses the

results; Collaboration model is presented in the section 8, while section 9 concludes, and gives policy recommendations.

2. Sustainable Livelihoods, Natural Resources and Governance in the Development Literature

How is the phrase ‘sustainable livelihoods’ explained in the development literature? In its rudimentary sense, livelihood refers to living or existence. An individual’s livelihood concerns his/her life, existence or living. Therefore, his/her ability to meet continually (and into the foreseeable future) the day-to-day needs of existence can be termed as sustainable livelihood. In its broader sense, sustainable livelihoods, according to the Stockholm Environment Institute (SEI), refer to the creation of conditions that promote not only sustainable development in human, natural and economic systems, but also safeguarding resources and opportunities for future generations. The International Institute for Sustainable Development (IISD) conceived of sustainable livelihood as being ‘concerned with people’s capacities to generate and maintain their means of living, enhance their well-being, and that of future generations’ (Singh & Titi, 1994).

Widening the scope of sustainable livelihoods further above basic needs, Chambers and Conway (1991) sustainable livelihoods as consisting of people’s capabilities including their means of living such as food, income and assets. Linking sustainable livelihoods to the environment, Chambers and Conway (1991) observed that ‘a livelihood is sustainable (both environmentally and socially) when it can cope with and recover from stresses and shocks, and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resources base.’

Finally but importantly, United Nations Development Programme (UNDP) defined sustainable livelihoods as livelihoods which ‘provide meaningful work that fulfils the social, economic, cultural and spiritual needs of all members of a community—human, non-human, present and future—and safeguard cultural and biological diversity.’ From the definitions of sustainable livelihoods given above, it is obvious that reliable sources of income and access to public and social goods and services are crucial determinants of livelihoods sustainability.

Undoubtedly, economic growth is essential to livelihoods sustainability. However, the role of natural resources in socio-economic development has generated heated debate in the development literature, that is, whether natural resources play any significant role in the socio-economic development of nations. The proponents of the 'so-called resource-curse' argue that resource-rich countries are more likely to perform worse on various social and economic indicators than resource-poor countries (Pegg, 2006, p. 337)—regard as insignificant the role of natural resources in socio-economic development of nations. Incidentally, a study conducted by the World Bank on the role of mining in economic development seems to corroborate the stance of the resource-curse group. The World Bank used three different categories of mining countries labeled as 'dominant', 'critical' and 'relevant'—which refer to countries in which mining products constitute more than 50% of all exports; between 15 -50% and between 6-15% of all exports respectively, the study found negative per capita GDP growth in the three groups of mining countries from 1990 to 1999(Weber-Fahr, 2002, p. 7 cited in Pegg, 2006, p. 377).

However, the finding showed an inverse relationship between dependence on incomes from mining and economic growth. In other words, the more a country depends on mining exports, the worse its per capita GDP performance. Thus, the 'dominant' mining countries (more than 50% of all exports) showed -2.3% per capita GDP growth rate per annum; the 'critical' (between 15-50% of exports) had -1.1%, whereas the 'relevant' mining countries (between 6-15% of all exports) posted -0.7% per capita GDP growth rate per annum (Ibid). Nevertheless, Pegg (2006) did not agree totally with the 'resource-curse' argument and cited Botswana (diamonds) and Chile (copper) as clear examples of the possibility of mineral resources to sustain social and economic development (p. 337). Similarly, Ruddle and Rondinelli (1983) noted that it became more apparent during the past decade that closer attention must be paid to preserving and renewing bio-physical systems and to transforming resources for human development. Both resources and patterns of living must be transformed to meet the needs of the human population [especially] in developing countries during the rest of this century.

Unfortunately, the awareness on the need to transform natural resources for human development is yet to be translated into action to meet the

development goals, especially livelihoods sustainability, in most countries. There is, therefore, the growing need in recent times to devise efficient mechanisms to better transform natural resources for human development. Such mechanisms, as conventional wisdom would require, should aim at creating a win-win environment in which economic growth with social equity is achieved within a sustained natural resources base.

Realizing the positive effects of natural resource utilization on socio-economic development of any nation in question is largely explained by the existing 'technology, capital, resource endowment [and] the socio-cultural (particularly the administrative and political) environment' (Ibid). Thus, the inability to attain the set objectives of transforming natural resources for socio-economic development can largely be blamed upon institutional and administrative lapses.

In their seminal work, Ruddle and Rondinelli (1983) argued that to achieve any results in efforts to transform natural resources for human development, then governments would have to better understand the existing environmental and resource conditions. Insufficient or lack of knowledge about the conditions and elements of environmental resources hinders achieving the objectives of transforming environmental resources for human development. This, one may argue, has formed part of the predicament in the majority of the OIC member countries. Buttressing this argument in a study, Ruddle and Rondinelli (1983) have concurred that 'there are significant gaps in our understanding of natural systems. Of the estimated 5 to 10 million plant and animal species in the world, for example, only about 1.6 million have been named; a much smaller number can be said to be known completely'. Therefore, effective and efficient resource utilization requires improvement of institutions and agencies in collecting, analyzing and the use of information about the 'immediate and long-run impacts of development policies and programmes on the resource systems and environments, especially on marginal areas within developing nations' (Ibid). It also requires mobilizing, budgeting and allocating financial resources for transformational programmes that develop human potential; especially in the marginal areas.

2.1 Good Governance

The need to reconcile natural resource system with the social system to facilitate transforming natural resources for human development, as alluded to in the preceding section, boils down to governance and of course good governance. The importance of good governance in the overall development of a nation can be fathomed and better gauged by first, understanding what governance means in the development literature. According to UNDP ‘governance is the exercise of economic, political, and administrative authority to manage a country’s affairs at all levels. It comprises mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their legal obligations, and mediate their differences’.¹ The World Bank construes good governance as ‘epitomized by predictable, open and enlightened policy making (that is, transparent processes); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law’.²

Against this backdrop, this paper works around the understanding of good governance generally as sound and comprehensive development management of a nation, especially livelihoods sustainability. Political instability, corruptions, institutional weaknesses, etc, most often associated with bad and poor governance will cease to exist under good governance. Corrupt practices lay the solid foundation for bad governance, as development policies and programmes may go little beyond the drawing board.

Development targets, for instance sustainable livelihood programmes, may remain far from being achieved due to rampant corruption, as resources ear-marked for poverty reduction and sustainable livelihoods programmes will be diverted for personal and parochial motives. Invariably, countries that fiercely fight corruption in its totality, both at the public and private levels, are believed conventionally to be steadily making headway in development and *vice versa*. Therefore, in assessing the role of good governance, the paper dwells heavily on perceptions on public sector corruption in the selected OIC member countries by drawing heavily from the corruption perceptions index developed by Transparency International (2007 and 2009).

3. The Prospects of Scaling up Livelihoods in the OIC Countries

The OIC member countries are abundantly endowed with mineral resources, particularly oil resources. For instance, the first 5 of the world's largest oil-reserve countries are OIC member countries; namely Saudi Arabia, Iraq, Kuwait, Iran and the United Arab Emirates.³ With the exception of Venezuela (Angola and Ecuador joined in November, 2007), all the Organization of Petroleum Producing Countries (OPEC) members are OIC countries. Such is the magnitude of oil wealth in the OIC countries.

In this regard, the OIC member countries could adopt appropriate institutional arrangements and technologies to effectively transform the existing natural resources for human development, particularly to enhance and unleash the potentials of the poor people. The importance to tailor-suit natural resource utilization for the poor majority has been highlighted in a study by USAID. It argued that the ability of a government to manage environmental resources effectively is likely to depend in large measure on its abilities to reach the poor majority because their activities relate to environmental and natural resource problems (USAID, 1979, p. 20 cited in Ruddle and Rodenelli, 1983).

It has also long been favoured in line with the principle of 'equity and basic needs' that much attention be paid to the factors that facilitate poor people's access to the resource system; most especially in the marginal areas. In short, there is the need to reconcile natural resource system with the social system to facilitate transforming natural resources for human development. This has been the importance of natural resources in socio-economic development if tactfully utilized. To a large extent, livelihood assets can be enhanced by the available stocks of natural resources. For instance, in the Sustainable Livelihoods Frameworks put forward by UK's Department for International Development (DFID, 1999) and International Fund for Agricultural Development (IFAD, 2002), the poor are surrounded by those assets deemed capable of improving their lives and lifting them entirely out of poverty.

These resources include: (a) *Natural Capital or Assets*; for instance, land, water, forest, wildlife, biodiversity, etc. The terms 'asset' and 'capital' are roughly interchangeable in this framework, except that the term 'capital' emphasizes the concept of potential investment or

depletion (Parkinson and Ramirez, nd, p. 3); (b) *Human Assets*; examples include strength, good health, information, skills, ability, capabilities, traditional and local knowledge; (c) *Physical Assets*; examples include infrastructure, roads, water, electricity supply, schools, etc; (d) *Financial Assets*; examples are cash, savings, credit, cattle, jewellery, etc; and (e) *Social Assets* such as family, relatives, non-governmental organizations (NGOs), community-based organizations (CBOs), institutional support, etc.

A cursory look at these categories of assets reveals some degree of interconnectedness among them. Therefore, it seems to suggest that much success can be achieved when one or two of these 5 asset categories are successfully managed, particularly the natural assets. Coupled with governance (identified as one of the *direct influencing factors*), the above listed assets are crucial ingredients in attaining livelihood outcomes such as improvements in well-being, health, incomes, happiness, knowledge, sustainable natural resources base, etc.

4. Some Challenges to Scaling up Livelihoods in the OIC Countries

Globalization has its pros and cons. On the positive side, globalization has successfully bridged spatial distances that hitherto held countries and continents apart. Boundaries have now been transformed beyond easy recognition. In unprecedented agglomerations, economies and businesses are fast growing, as knowledge and expertise are readily available to be tapped. On the negative side, the sweeping waves underlying the changes accompanying global forces have appeared far too strong for certain economies and likewise for certain groups of individuals and businesses even in the stronger economies. This scenario poses a daunting development challenge to the developing economies of the OIC fraternity.

Specifically, the major challenge has been the prevailing incidence of poverty and deprivation in the majority of these countries. With particular reference to poverty eradication, Ali (2006)⁴ noted that the incidence of poverty had decreased in many Islamic Development Bank (IDB) member countries.⁵ However, the trends of poverty and other social indicators in some member countries raised a cause for alarm. What has been more worrisome, according to Ali, is that 'there are pockets of extreme poverty in the depressed areas of even those

[OIC/IDB] member countries who are posting robust economic growth.’ On the Millennium Development Goals, thirteen member countries are unlikely to achieve the target of halving the number of people living below \$1 a day by 2015.

Furthermore and with particular reference to the 2007 UNDP’s Human Development Index (HDI), there was no OIC member country among countries occupying the first quartile of the index, that is, 0.900 to 1.00. In the second quartile, that is, from 0.800 to 9.00, there were only 10 OIC member countries. Brunei came first with a score of 0.894 and was placed 30th in the world rankings. Not all, among the least Human Developed Countries, 11 are OIC member countries (Wikimedia, 2007). The importance of this index cannot be underestimated as it has been computed on such important human development indicators as literacy/education, life expectancy and standard of living measured by standards such as income inequality, poverty rate, real (i.e. inflation adjusted) and income per person. This scenario calls for effective collaboration that will create a win-win for both the weaker and the stronger economies in which the development needs of the weaker OIC economies will have little adverse impact on the stronger ones. The need for such collaboration underscores the relevance of the model that has been proposed in this paper.

Capacity-building in the struggling OIC member economies is crucial to tackling most of their development obstacles. For instance, to confront effectively the numerous obstacles and constraints to sustainable livelihoods and good governance squarely would require the strengthening of administrative and institutional capacities: first, within the individual economies and second, among the OIC fraternity. This includes training of personnel engaged in administrating development programmes and projects. Meeting these development needs can have debilitating impact on their resources when left to a few of the better off member countries.

Against this backdrop, the development collaboration model (*DeCOM*) seeks to put forward a framework that will assist the OIC countries to pull resources and expertise in a comparative kind of advantage to build a strong, synergic front to commensurate the daunting task posed by the deteriorating livelihood conditions underpinning the general socio-

economic underdevelopment in the majority of the selected OIC countries.

5. Research Methodology

This is a cross-country case study that draws data largely from secondary sources to compare and contrast performances in sustainable livelihood and good governance in the selected OIC member countries, segregating the oil-producing countries from the non-oil-producing countries. Again, these countries have been divided into 3 regions: namely, African OIC Member Countries (AFMC); Middle East and Central Asian Member Countries (MECAMC), and East Asia, Pacific and South American Member Countries (EAPSAMC).

Due to data inconsistencies in some of the countries, a convenience sampling technique has been used to select countries that have maintained some consistency in their livelihood data. Sustainable livelihood, which is the dependent variable, is measured using the following indicators: (1) Poverty rate, that is, percentage of the population subsisting below \$1 a day; (2) Literacy rate; (3) Water supply, that is, percentage of the population having access to good drinking water; and (4) Rate of undernourishment, that is, percentage of malnourished people.

The selected indicators measuring the dependent variable—sustainable livelihoods—are generally categorized into two: (1) *Income poverty* measured by poverty headcount at \$1 a day and (2) *Human/Assets poverty* measured by access rates of water supply, literacy and nutrition.

The independent variables are: (1) Natural resource endowments; by categorizing the countries into oil and non-oil-producers, and (2) Good governance, by using the perception index on public sector corruption developed by Transparency International (2007 and 2009). The scores range from 0 to 1, whereby 0 means highly corrupt public sector, while 1 means least corrupt or highly clean public sector. Using 2007 and 2009 corruption indices has shown the changes (either improvement or deterioration) in each country's performance in good governance over that time frame. Although there are many equally important measures of good governance, widespread corruption, the authors believe, is more likely to hamper sustainable livelihoods programmes. Also, statistical

estimations have been undertaken using descriptive statistics, independent samples t-test and Pearson's correlation to ascertain the extent to which performances in the selected indicators may vary among the OIC countries and to test for associations among the variable.

The development collaboration octagon model (*DeCOM*) used in this study has sought to measure the performance in numeric terms (on a scale of 0 to 100) of the sampled OIC member countries in all the selected sustainable livelihood variables and good governance. A composite index is developed by calculating the average score for each country by using the following formula:

$$SLPI = \frac{\Sigma (100-x) + L/R + W/S + (100-Und) + GG}{5}$$

Where $(100-x)$ represents the percentage of the non-poor, meaning total population (100) minus percentage of the poor population (x); L/R represents performance in literacy out of 100%; W/S represents score in water supply out of 100%; $(100-Und)$ means score in nourishment, i.e., total population (100) minus percentage of the undernourished population (Und), and finally GG represents score in good governance (from 0 to 1). This means that sustainable livelihoods performance index (SLPI) for a country is a function of the country's average score in the selected variables (See appendix for the details).

6. Results

6.1 Statistical Estimations on the Selected Indicators of Livelihoods Sustainability and Good Governance

The statistical estimations are based on descriptive statistics, independent samples t-test and Pearson's correlation. The estimations are performed on regional basis seeking to facilitate appraising sustainable livelihood performance across the regions.

6.2 African OIC Member Countries

In terms of individual countries, income poverty figures show single-digit headcounts in all the oil-producing countries except in Cameroon, Nigeria and Chad. Ironically, the incidence of income poverty in Nigeria

is higher than all the selected non-oil-producing counterparts in this region. This interesting scenario requires separate scrutiny. Unfortunately, it is not within the scope of this article. As regards human poverty, the oil-producing countries (excluding Chad) appear to be faring quite better compared to the non-oil-producing countries. Literacy rates are quite encouraging in all the oil-producing countries (except in Chad). Likewise, access to water supply is high except in Nigeria and Chad. Performances in nutrition are better in the majority of the oil-producing countries, where single digits of malnutrition or undernourishment can be found. However, scores in good governance are below average in all the selected countries of this region (Table 1).

6.3 Middle East and Central Asian OIC member countries

This region can best be described as the ‘power house’ of the OIC fraternity taking into account the performances in the selected indicator. Scores by the individual countries in all the selected indicators of sustainable livelihoods and good governance are remarkable, not excluding the non-oil-producing countries. With reference to good governance, the majority of countries posting the best scores in the corruption perceptions index are found in this region. Qatar has improved her score tremendously to 7.0 in 2009, down from 6.0 in 2007. Thus, making Qatar the country with the highest score among the 40 OIC member countries selected in this article. United Arab Emirates (UAE) has also scored better and Bahrain has maintained above-average scores (See Table 2). Oman is the fourth oil-producing country in this region that has managed to score above average in 2009, down from 4.7 in 2007.

Table 1: Selected Indicators of livelihoods Sustainability and Good Governance in the African OIC Member Countries

Oil-Producing OIC Countries	Oil-proved Reserves (bbl) as of 2007 (000'000)	Income Poverty Headcount Y (%) Y (%)	Human Poverty L/R, W/S, U/ment (%) (%) (%)		Good Governance-- Corruption Index (2007) (2009)	
Algeria	14,680	'95(2)	92.5	85	3.0	2.8
Cameroon	95	<i>n/a</i>	4		2.4	2.2
Chad ^a	1,500	'96(32.5)	<i>n/a</i>	70	1.8	1.6
Cote d'Ivoire	250	'01(17.1)	26		2.1	2.1
Egypt	3,750	<i>n/a</i>	37.6	48	2.9	2.8
Libya	45,000	<i>n/a</i>	35		2.5	2.5
Morocco	100	'95(12.3)	60.7	81	3.5	3.3
Nigeria	37,250	'02(14.8)	13		2.2	2.5
Sudan	6,490	'95(2.6)	86.2	98	1.8	1.5
Tunisia	1,700	'00(3.1)	4		4.2	4.2
		<i>n/a</i>	98.9	71		
		<i>n/a</i>	2.5			
		'91(2)	75.1	83		
		'99(2)	6			
		'96(77.9)	86.7	47		
		'03(70.8)	9			
		<i>n/a</i>	77.2	78		
		<i>n/a</i>	26			
		'95(2)	95.7	94		
		'00(2)	2.5			
Non-Oil-Producing OIC Countries						
Burkina Faso		'98(44.9)	39.3	72	2.9	3.6
Gambia		'03(27.2)	15		2.3	2.9
Mali		<i>n/a</i>	<i>n/a</i>	86	2.7	2.8
Niger		<i>n/a</i>	29		2.6	2.9
Senegal		<i>n/a</i>	29.3	60	3.6	3.0
Uganda		<i>n/a</i>	29		2.8	2.5
		'95(60.6)	39	42		
		<i>n/a</i>	32			
		'95(24)	51.3	77		
		'03(22.3)	20			
		<i>n/a</i>	86.3	64		
		<i>n/a</i>	19			

Note: bbl denotes billion barrels. Y (%) denotes year & percentage of population below \$1 a day, *Source:* World Development Indicators database, World Bank via Nationmaster.com. ^a Chad started oil exploration in 2003. *n/a*= data not available. L/R (%) mean literacy rate, W/S (%) mean water supply, U/ment (%) mean undernourishment. *Source:* UN, MDGs Export, 2008 via Nationmaster.com. Figures taken are the most recent. *Transparency International* for corruption perceptions data; a score of 10 means highly clean, while score of 0 means highly corrupt.

Table 2: Selected Livelihoods Sustainability and Good Governance Indicators in the Middle East and Central Asian OIC Member Countries

Oil-Producing OIC Countries	Oil-proved Reserves (bbl) as of 2007 (000,000)	Income Poverty Headcount		Human Poverty L/R, W/S, U/ment (%) (%) (%)			Good Governance Corruption Index	
		Y (%)	Y (%)	(%)	(%)	(%)	(2007)	(2009)
Albania	198.1	'97(2)	'04(2)	99.4	97	6	2.9	3.2
Azerbaijan	7,000	'95(10.9)		99.9	78	7	2.1	2.3
Bahrain	118.6	'01(3.7)		99.8	n/a	n/a	5.0	5.1
Iran	138,400	n/a	n/a	97.4	94	4	2.5	1.8
Kazakhstan	9,000	'94(2)	'98(2)	99.8	96	6	2.1	2.7
Kuwait	101,500	'96(2)	'03(2)	99.9	n/a	5	4.3	4.1
Kyrgyzstan	40	n/a	n/a	99.6	89	4	2.1	1.9
Oman	4,850	'96(20.3)		98.4	82	n/a	4.7	5.5
Qatar	15,200	'03(2)		97.6	100	n/a	6.0	7.0
Saudi Arabia	264,300	n/a	n/a	97	n/a	4	3.4	4.3
Turkey	300	n/a	n/a	96.4	97	3	4.1	4.4
U. A. E	97,800	n/a	n/a	97.7	100	2.5	5.7	6.5
Uzbekistan	594	'94(2.4)		99.3	88	25	1.7	1.7
Yemen	3,580	'03(3.4)		80.4	66	38	2.5	2.1
		n/a	n/a					
		'93(3.3)	'03(2)					
		'92(3.4)						
		'98(15.7)						
Non-Oil-Producing OIC Countries								
Lebanon		n/a	n/a	n/a	100	3	3.0	2.5
Jordan		'97(2)		99.1	88	6	4.7	5.0
		'03(2)						

Note: bbl denotes billion barrels. Y (%) denotes year & percentage of population below \$1 a day, *Source:* World Development Indicators database, World Bank via Nationmaster.com. ^a Chad started oil exploration in 2003. n/a= data not available. L/R (%) mean literacy rate, W/S (%) mean water supply, U/ment (%) mean undernourishment. *Source:* UN, MDGs Export, 2008 via Nationmaster.com. Figures taken are the most recent. *Transparency International* for corruption perceptions data; a score of 10 means highly clean, while score of 0 means highly corrupt.

6.4 East Asia, the Pacific and South American OIC Member Countries

With the exception of Bangladesh and Pakistan, all the remaining countries, including the non-oil-producing countries, in this region have maintained single-digit income poverty headcounts as at 2002. Likewise the performances of all the countries in the selected indicators of human poverty have been encouraging, except the relatively weak performances of Bangladesh and Pakistan in nutrition (i.e., higher rates of undernourishment). Scores in good governance show that all but Brunei has scored below average in the corruption perceptions index in 2009 (see table 3).

Table 3: Selected Livelihoods Sustainability and Good Governance Indicators in East Asia, the Pacific and South American OIC Member Countries

Oil-Producing OIC Countries	Oil-proved Reserves (bbl) as of 2007 (000,000)	Income Poverty Headcount		Human Poverty L/R, W/S, U/ment (%) (%) (%)			Good Governance Corruption Index	
		Y (%)	Y (%)				(2007)	(2009)
Bangladesh	28	'96(28.6)	'00(41.3)	72.1	80	30	2.0	2.4
Brunei	1,350	<i>n/a</i>	<i>n/a</i>	99.6	<i>n/a</i>	4	<i>n/a</i>	5.5
Indonesia	4,430	'96(14.1)	'02(7.5)	98.9	80	6	2.3	2.8
Malaysia	3,000	'97(1)	'04(0.6) ^b	98.3	99	3	5.1	4.5
Pakistan	376	'99(13.5)	'02(17)	70	90	24	2.4	2.4
Suriname	111	<i>n/a</i>	<i>n/a</i>	95.2	92	8	3.5	3.7
Non-Oil-Producing OIC Countries								
Guyana		'93(8.1)	'99(2)	<i>n/a</i>	93	8	2.6	2.6
Maldives		<i>n/a</i>	<i>n/a</i>	98.2	83	10	3.3	2.5

Note: bbl denotes billion barrels. Y (%) denotes year & percentage of population below \$1 a day, *Source:* World Development Indicators database, World Bank via Nationmaster.com. ^a Chad started oil exploration in 2003. *n/a*= data not available. L/R (%) mean literacy rate, W/S (%) mean water supply, U/ment (%) mean undernourishment. *Source:* UN, MDGs Export, 2008 via Nationmaster.com.

Figures taken are the most recent. *Transparency International* for corruption perceptions data; a score of 10 means highly clean, while score of 0 means highly corrupt. ^b= these figures were obtained from p. 6 of the Malaysia's Household Income Survey in the UNDP's *and Monitoring Poverty and Income*.

7. Discussion

The authors have realized that performances in livelihoods sustainability and good governance differ within and across the regions. Across the regions, the highest score by AFMC collectively is in water supply ($M=72.3$), while scores in literacy ($M=97.4$; $M=90.3$) are the highest in MECAMC and EAPSAMC respectively. However, good governance has attracted the least scores in all the three regions (Table 4). To determine the variations in scores between the oil-producing and non-oil-producing countries, the study hypothesizes that there will be differences in performance between oil-producing countries and non-oil-producing countries.

The results of running an Independent Samples t-Test revealed a statistically significant mean difference $t(35) = 2.853$, $p < .01$ in assets/human poverty between oil-producing countries ($M=60.3$, $SD=7.2$) and non-oil-producing countries ($M=52.1$, $SD= 9.4$). However, there is no significant difference $t(22) = -.864$, $p > .05$ in income poverty between oil-producing countries ($M=11.3$, $SD =18.4$) and non-oil-producing countries ($M=18.8$, $SD= 21.1$). This is true because some of the oil-producing countries are posting large poverty headcount figures, e.g. Nigeria, Yemen, Bangladesh, Pakistan, Chad, Cameroon etc, as in many of the non-oil-producing countries. Also, there is no significant difference $t(37) = .922$, $p > .05$ in good governance between the oil-producing countries ($M=3.3$, $SD =1.5$) and non-oil-producing countries ($M=3$, $SD= 0.7$). See table 4 & 5 for details.

The authors have also predicted that there will be a correlation between good governance and livelihoods sustainability. In other words, countries with better scores in good governance will perform better in more than one of the selected livelihood indicators. Except for income poverty, the results of running Pearson's r showed positive correlations ($r = .330$, $p < .05$) between good governance and all the indicators of assets/human poverty—Literacy; ($r = .399$, $p < .01$) water supply and ($r = -.482$, $p < .01$) malnourishment (see table 6).

Table 4: Group Statistics on Equality of Performance in the Selected Indicators

	Natural Resources	N	Mean	Std. Deviation
Livelihoods Sustainability (Income Poverty)	Oil-producing OIC member countries	17	11.3706	18.43962
	Non-Oil-producing OIC member countries	7	18.8286	21.15961
Livelihoods Sustainability (Assets/Human Poverty--Total)	Oil-producing OIC member countries	26	60.3808	7.29481
	Non-Oil-producing OIC member countries	11	52.1900	9.48288
Good Governance	Oil-producing OIC member countries	28	3.3893	1.51103
	Non-Oil-producing OIC member countries	11	2.9455	.78149

Table 5: Independent Samples Test for Equality of Performance in the Selected Indicators

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	Df	Sig. (2-tailed)
Livelihoods Sustainability (Income Poverty)	Equal variances assumed	.261	.615	-.864	22	.397
	Equal variances not assumed			-.814	9.973	.435
Livelihoods Sustainability (Assets/ Human Poverty- Total)	Equal variances assumed	1.747	.195	2.853	35	.007
	Equal variances not assumed			2.562	15.252	.021
Good Governance	Equal variances assumed	7.751	.008	.922	37	.363
	Equal variances not assumed			1.199	33.879	.239

Table 6: Correlation Matrix between the Selected Indicators of Livelihoods Sustainability and Good Governance

		LS-InP	LS-AHp-Lt	LS-AHp-Ws	LS-AHp-Malnt	GdGv
LS-InP	Pearson Correlation	1	-.569**	-.804**	.538**	-.054
	Sig. (1-tailed)		.004	.000	.003	.402
	N	24	21	24	24	24
LS-AHp-Lt	Pearson Correlation	-.569**	1	.649**	-.703**	.330*
	Sig. (1-tailed)	.004		.000	.000	.025
	N	21	36	32	33	36
LS-AHp-Ws	Pearson Correlation	-.804**	.649**	1	-.625**	.399**
	Sig. (1-tailed)	.000	.000		.000	.008
	N	24	32	36	34	36
LS-AHp-Malnt	Pearson Correlation	.538**	-.703**	-.625**	1	-.482**
	Sig. (1-tailed)	.003	.000	.000		.001
	N	24	33	34	37	37
GdGv	Pearson Correlation	-.054	.330*	.399**	-.482**	1
	Sig. (1-tailed)	.402	.025	.008	.001	
	N	24	36	36	37	40

** . Correlation is significant at the 0.01 level (1-tailed).

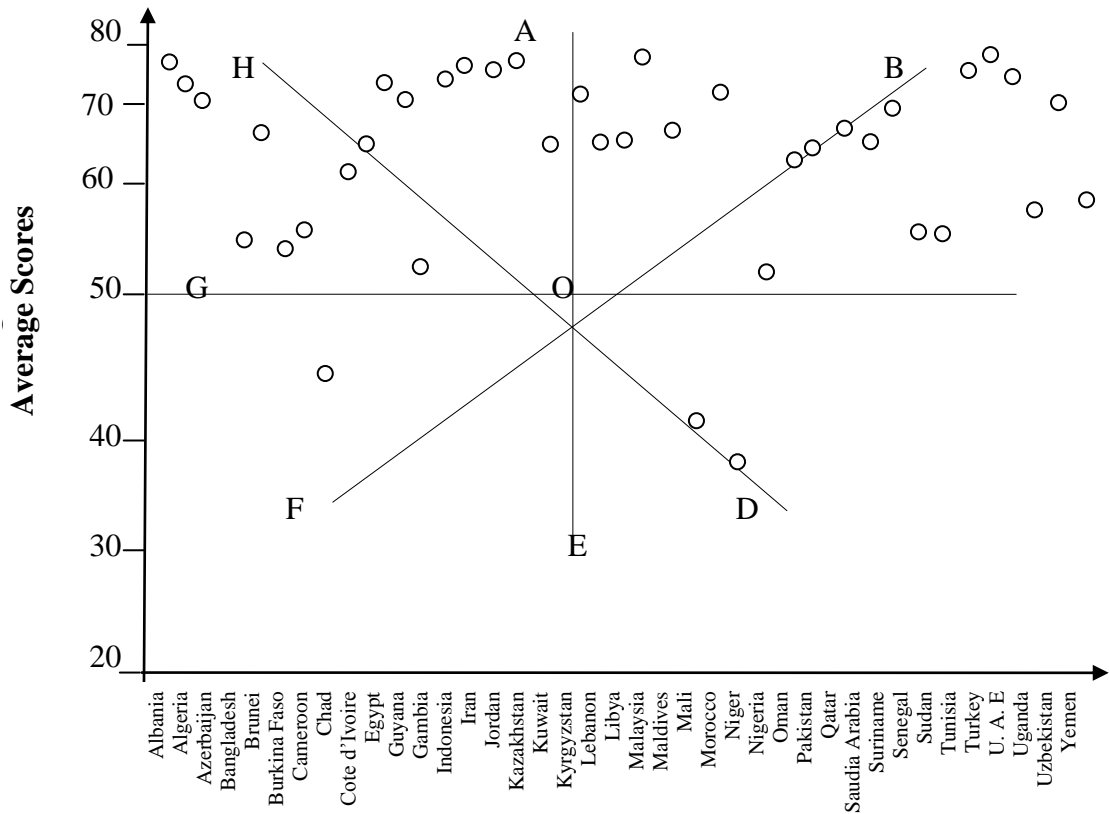
* . Correlation is significant at the 0.05 level (1-tailed).

GdGv = Good Governance; LS-AHp-Malnt = Livelihoods Sustainability (Assets/human Poverty-Malnutrition); LS-AHp-Ws = Livelihoods Sustainability (Assets/human Poverty--Water Supply); LS-AHp-Lt = Livelihoods Sustainability (Assets/human Poverty--Literacy); LS-InP = Livelihoods Sustainability (Income Poverty).

8. Development Collaboration Octagon Model (*DeCOM*)

Performance in scaling up livelihoods varies markedly among the OIC countries. Sustainable livelihood performance index, which has been calculated by the authors (see appendix), reflects the differences in actual performances in livelihoods sustainability among the selected countries (see figure 1).

Figure 1: Sustainable Livelihoods Performance Index for the Selected OIC Countries



In that light, effective collaboration that may galvanise productive resources, administrative and technical expertise to support sustainable livelihood efforts in these countries must adopt a multi-dimensional pattern. The octagonal pattern reflects horizontal, vertical and lateral collaborations in the generation and utilization of sustainable livelihood resources within the individual and across the OIC countries. As endowments in the much needed livelihood resources and performance in good governance vary greatly among these countries, the ability to manage livelihoods sustainably also may vary among them. This underscores the need for win-win collaboration. In a real life scenario, most multilateral collaborations appear heavily skewed to unleash great impact as far as the huge number of poor countries is concerned. For instance, if collaboration for sustainable livelihoods and good governance ensues among countries within each of the four zones or

regions, that is, AOB; BOC; AOH and GOH , such pattern of multi-lateral collaboration will appear to be highly skewed, thereby excluding the other four below-average zones housing the least-developed member countries. These below-average zones include: GOF; EOF; DOE and COD even though there are no countries in some of the zones, possibly because we did not include all the OIC countries in this current study. Similarly, if collaboration develops horizontally among the COG countries, it is most likely that such pattern of collaboration may not have any wider impact in the OIC fraternity as these countries appear to have barely an above-average capability and the needed resources to ensure meaningful poverty reduction and sustainable livelihoods.

Nevertheless, a pattern of collaboration that seems to mirror in the least, the medium and the better-off countries in our case may assume either vertical or lateral dimensions, that is: AOE; BOF and DOH. Such patterns of collaboration have the potential to yield great impact as the least-developed countries are paired with the medium and the relatively developed countries. However, this kind of collaboration may still need other essential features to unleash greater and wider impact. It is to help minimise these pitfalls characterising most conventional multi-lateral development collaborations as discussed above, that the *Development Collaboration Octagon Model (DeCOM)* has been proposed. It seeks to capture the horizontal, vertical and the lateral patterns of conventional collaborations. The octagonal collaboration should involve countries along A, B, C, D, E, F, G and H reflecting vertical, lateral or diagonal and horizontal dimensions in a group. Qualitatively ranked, each group of eight OIC member countries will then include the following countries:

- 1=Excellent ability to manage livelihoods (relative standards);
- 2=Very Good ability;
- 3=Good ability;
- 4=Average ability;
- 5=Fair ability;
- 6= Poor ability;
- 7=Very poor ability; and
- 8=Failed or zero ability.

OIC member countries such as Somalia, Sierra Leone (often described as the “dead” or “failed” economies) will fall within the ‘failed or zero

ability' zone. Also war-ravaged member countries like Iraq, Afghanistan & Pakistan cannot be ignored in these noble efforts to scale up member countries' ability to reduce poverty and improve livelihoods within and across the OIC fraternity. Such failed, non-performing and war-stricken economies should be incorporated into the mainstream of the development collaboration. The development needs of the so-called "dead economies" would be far from being met if they are paired with similar, like-manner or medium-level member countries.

In reality and as golden rule of this concept, a group should have at least 8 other member countries in a comparative advantage kind of engagement that reliably and mutually reflects resource endowments (i.e., natural resources & human resources like technical, scientific expertise, etc), utilization needs and, of course, poverty reduction and sustainable livelihoods aspirations of member countries. Starting with 8 countries will serve as a buffer should some countries fall out along the way.

9. Conclusion

This paper has been designed to investigate sustainable livelihoods *vis-à-vis* natural resource endowments (particularly oil resources) and good governance in the selected OIC member countries. A total of 40 member countries have been selected. The paper has found that livelihoods sustainability (measured by income and human poverty) differs significantly among the OIC countries, particularly between oil-producing and the non-oil-producing countries. Performances have been encouraging in the majority of the oil-producing countries. However, a small number of the oil-producing countries are posting dismal performances.

Nevertheless, the fact that the study found a statistically significant mean difference $t(35) = 2.853$, $p < .01$ in assets/human poverty between oil-producing countries ($M=60.3$, $SD=7.2$) and non-oil-producing countries ($M=52.1$, $SD= 9.4$) underscores, to a large extent, the significance, and the prospects of natural resources, particularly oil resources, in livelihoods improvement, at least, in the case of OIC countries. This finding, therefore, calls for policy measures that will create the enabling environment for the less-performing member

countries to benefit from the development experiences of the more successful members.

Furthermore, in linking good governance to livelihoods sustainability, although many of the selected OIC countries have scored below average in good governance, there is abundant evidence that connects countries with good governance (i.e., higher score in corruption perceptions index) to better performance in most of the indicators of livelihoods sustainability. This finding implies that good governance—specifically less public sector corruption—can enhance livelihoods sustainability. Thus, OIC member countries need to adopt collaborative anti-corruption measures to improve their current performances in good governance.

In conclusion, intensifying collaboration to effectively utilize natural resources and improve performance in good governance can enable OIC countries to overcome the daunting challenges to the overwhelming prospects of scaling up livelihoods of the people. In that effect, the following policy measures are proposed for consideration by policymakers, development practitioners, and poverty reduction activists in OIC member countries:

1. It is highly necessary and socio-economically beneficial to revamp local, indigenous and labour-intensive industries, particularly import-substituting industries, to circumvent mass importation of basic goods and services to boost job creation (i.e. to raise incomes) and national saving of hard-earned foreign exchange revenues;
2. Intensify trade , especially in what may be described as *trade for the poor*, that is, to ear-mark and reduce or remove tariffs completely on certain public goods and services that can impact positively on poverty reduction and livelihoods sustainability; and finally
3. To intensify exchange of technical, administrative and industrial expertise among the member countries, particularly in improving good governance and transforming natural resources for human development.

Notes

1. For details visit: <http://magnet.undp.org/policy/default.htm>. This has been quoted by World Bank in a chapter entitled “Governance.” Available at:
2. http://siteresources.worldbank.org/INTPRS1/Resources/3836061205334112622/4105_chap8.pdf
3. <http://www.worldbank.org/publicsector/overview.htm>.
4. For more information visit: <http://www.aneke.com/oil.html>. *Countries of oil reserves.*
5. Dr. Ahmad Mohamed Ali is the sitting President of the Islamic Development Bank (IDB) as of the time this paper has been written. These observations were made at the second World Islamic Economic Forum held in Pakistan, Islamabad in Nov., 2006.
6. Using IDB member countries or OIC countries can serve the same purpose as IDB is the financial arm of OIC.

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APPENDIX

**Table 7: Calculated Sustainable Livelihoods Performance Index for
the Selected OIC Countries**

Oil-Producing OIC Countries	Income Poverty (%) X	Non-Poor (%) 100-X	Human Poverty L/R, W/S, U/rshed (%) (%) (%) U_{hd}			N/rshed (%) 100-U_{nd}	Good Gov'nance Corruption Index (2009)	SLPI for the selected OIC Countries
Algeria	2	98	92.5	85	4	96	2.8	74.9
Cameroon	17.1	82.9	n/a	70	26	74	2.2	57.3
Chad	n/a	n/a	37.6	48	35	65	1.6	46.8
Côte d'Ivoire	14.8	85.2	60.7	81	13	87	2.1	63.2
Egypt	3.1	96.9	86.2	98	4	96	2.8	76.0
Libya	n/a	n/a	98.9	71	2.5	97.5	2.5	67.5
Morocco	2	98	75.1	83	6	94	3.3	70.7
Nigeria	70.8	29.2	86.7	47	9	91	2.5	51.3
Sudan	n/a	n/a	77.2	78	26	74	1.5	57.7
Tunisia	2	98	95.7	94	2.5	97.5	4.2	77.9
Albania	2	98	99.4	97	6	94	3.2	78.3
Azerbaijan	3.7	96.3	99.9	78	7	93	2.3	73.9
Bahrain	n/a	n/a	99.8	n/a	n/a	n/a	5.1	INSFD
Iran	2	98	97.4	94	4	96	1.8	77.4
Kazakhstan	2	98	99.8	96	6	94	2.7	78.1
Kuwait	n/a	n/a	99.9	n/a	5	95	4.1	66.3
Kyrgyzstan	2	98	99.6	89	4	96	1.9	71.6
Oman	n/a	n/a	98.4	82	n/a	n/a	5.5	62.0
Qatar	n/a	n/a	97.6	100	n/a	n/a	7.0	68.2
Saudi Arabia	n/a	n/a	97	n/a	4	96	4.3	65.8
Turkey	3.4	96.6	96.4	97	3	97	4.4	78.3
U.A.E	n/a	n/a	97.7	100	2.5	97.5	6.5	75.5
Uzbekistan	2	98	99.3	88	25	75	1.7	72.4
Yemen	15.7	84.3	80.4	66	38	62	2.1	59.0
Bangladesh	41.3	58.7	72.1	80	30	70	2.4	56.4
Brunei	n/a	n/a	99.6	n/a	4	96	5.5	67.0
Indonesia	7.5	92.5	98.9	80	6	94	2.8	73.6
Malaysia	0.6	96.4	98.3	99	3	97	4.5	79.0
Pakistan	17	83	70	90	24	76	2.4	64.3
Suriname	n/a	n/a	95.2	92	8	92	3.7	70.7
Burkina Faso	27.2	72.8	39.3	72	15	85	3.6	54.5
Gambia	n/a	n/a	n/a	86	29	71	2.9	53.3
Mali	n/a	n/a	29.3	60	29	71	2.8	40.8
Niger	60.6	39.4	39	42	32	68	2.9	38.3
Senegal	22.3	77.7	51.3	77	20	80	3.0	57.8
Uganda	n/a	n/a	86.3	64	19	81	2.5	58.5
Lebanon	n/a	n/a	n/a	100	3	97	2.5	66.5
Jordan	2	98	99.1	88	6	94	5.0	76.8
Guyana	2	98	n/a	93	8	92	2.6	71.4
Maldives	n/a	n/a	98.2	83	10	90	2.5	68.4

INSFD = Countries with insufficient data in more than three indicators.

The Formula:

Figure 1 is derived from Sustainable Livelihoods Performance Index (SLPI) for the selected OIC countries, which has been calculated by using the following formula:

$$SLPI = \frac{\sum (\text{Selected indicators})}{\text{Number of selected indicators}} \quad (1)$$

which states that sustainable livelihoods performance index (SLPI) for a country is a function of the country's average score in the selected indicators. Thus,

$$SLPI = \frac{\sum (100-x) + L/R + W/S + (100-Und) + GG}{5}, \quad (2)$$

Where (100-x) represents percentage of non-poor; L/R represents performance in literacy; W/S represents score in water supply; (100-Und) means score in scaling up nourishment; and GG means score in good governance.

However, the calculation is based only on the selected indicators and does not intend to preclude other equally important indicators, as this calculation can take on as many livelihood indicators as possible.