

Household Economy Analysis

Household Economy Analysis is used by Save the Children Fund - UK to inform and evaluate its food programs. This process is a useful way of learning about the food security situation in an area.

The basic goal of a household economy analysis is to describe how rich, poor, and 'medium' households access food in good, bad, and 'typical' years. Understanding the local characteristics of good and bad years can improve early warning systems. Knowing more about how communities commonly try to cope with food insecurity can be very useful in planning and evaluating the impact of food programs. The basic steps are given below:

1. Clearly define the area for the analysis

Is it truly one economy, or are there sub-groups with their own economies? A food economy is a system of production, exchange, and consumption of food items.

2. Describe sources of food income

This is food consumed directly by the household. To keep things simple, focus on calorie intake, using the main energy giving foods. Sources of food income include: crop production, livestock production, fishing, hunting, collection of wild foodstuffs, gifts, relief food, purchase or exchange.

3. Describe sources of non-food income

This includes exchanged goods, gained through economic and social activity. Sources of non-food income include: sale of crops, sale of livestock or livestock products, sale of own labour, sale of fish, sale of wild foods, sale of other products manufactured in the household, trade, gift, relief food

The purpose in defining both sources of income is to determine where the vulnerabilities lie. For example, crop failure will result in much higher vulnerability for families which depend on the production and sale of crops for both food and non-food income. Non-food income may be used to purchase food and so plays an important role in food security.

4. Describe good, bad and 'typical' years

A 'typical' year is the type of year that occurs most often. It does not imply that the situation is stable or acceptable. For example, in southern Sudan, a typical year involves conflict.

Asking what happens to food access strategies in good and bad years will help to describe the current situation in relation to previously experienced levels of stress. Discovering the coping strategies and indicators of a bad

year suggests ways in which a program may make a difference. For example, if a common coping strategy within a community during bad years is to sell off livestock at low prices, one impact of a successful program may be reduced livestock sales.

5. Describe rich, poor and 'medium' groups

It is important to discover the criteria that differentiate the poor from the rich (e.g. livestock, land, family size etc.). Often, coping strategies are quite different among these groups. Thus, defining the groups will be useful in discovering who are the most vulnerable, and where we may expect programs to have an impact. 'Medium' refers to the most frequently occurring type of household. The

typical household may be more toward the poor end of the scale, or more toward the rich end, depending on the local social structure. While three categories are given here, some areas may have more detailed classifications which could be useful in understanding the picture of vulnerability in the community. Local definitions should be used. In SCF's experience, key informants will usually agree on what defines the categories.

6. Describe 'exchange links'

These are the connections that exist between a local food economy and other

economies outside the area. Finding out about these links will tell us more about ways in which local vulnerabilities may be affected by changes in other regions.

Gathering information

Information can be gathered through a variety of primary and secondary sources. Groups such as WFP, the Ministry of Agriculture, the Ministry of Health, and other NGOs may have data or contacts that can provide information on the household food economy situation in a particular area. Also, 'key informants' (individuals within a community who can provide information on the local situation) can be interviewed individually or in groups. Certain techniques such as ranking, proportional piling and seasonal calendars can also be used with local people to provide a more complete picture of the food economy.

Resources

Seaman J, Clarke P, Boudreau T, Holt J. The Household Economy Approach: A resource manual for practitioners. *Save the Children: London, 2000.*

For more information on Household Food Economy Analysis, or other issues related to planning, monitoring, and evaluation, contact the Canadian Foodgrains Bank (crgb@foodgrainsbank.ca).

"The task of a food economy analysis is to obtain a clear and internally consistent picture for a defined group of people or geographical area of typical households' sources of food and non-food income in a normal year, describing poor, medium and rich households separately, paying attention to market and other exchange links which connect this food economy to others, and to the seasonal factors of economic life." -- SCF-UK