

Household Economic Security (HES)

Key Terminology



The updated HES Guidelines include new sections on data collection and analysis that build on the original 2012 version. This revision has been led by Jackie Frize and Andra Gulei, with input from other British Red Cross Advisers and Livelihoods Register members and contributions from the IFRC Livelihoods Resource Centre. British Red Cross takes sole responsibility for any errors or oversights in these guidelines.

British Red Cross thanks the Croix-Rouge Nigérienne for the use of photos taken during a HES assessment in 2017.

Key Terms list

Coping strategies

Coping Strategy Index (CSI) measuring food security

Reduced CSI (rCSI)

Demand side shocks

Financial service

Financial Service provider

Food expenditure share

Integrated markets

Livelihood groups

Livelihood zones

Livelihoods

Market (also called the 'marketplace')

Market system

Minimum Expenditure Basket (MEB)

Seasonality

Social Protection

Social safety nets

Socio-economic groups/wealth groups

Supply side shocks

Terms of Trade

Value chain

How can different types of livelihoods assistance be used in programming

Livelihoods Provisioning

Livelihoods Restoration

Livelihoods Strengthening

Livelihoods Diversification

Livelihoods Protection

Coping strategies

Coping Strategies are mechanisms that people choose as a way of living through difficult times. Some coping strategies are **easily reversible**: for example, short-term dietary changes, migration of individuals for work, use of savings or solidarity networks. Some coping strategies have longer term consequences and may be **damaging** to livelihoods and to health: for example sell of productive assets (such as land, fishing tools, shop licence or delivery van), taking children out of school to send them to work (child labour) or beg, or prostitution.

“Coping has come to indicate both current difficulties and a worsening situation, an early warning indication of what is yet to come”

(Maxwell 2013)

Source: adapted from IFRC Livelihoods Guidelines.

¹ [‘The Coping Strategies Index Field Methods Manual Second Edition’](#),

January 2008 Daniel Maxwell and Richard Caldwell

Coping Strategy Index (CSI)¹ measuring food security

The Coping Strategies Index (CSI) is an indicator of household food security that is relatively simple and quick to use and correlates well with more complex measures of food security. The CSI measures behaviour: the things that people do when they cannot access enough food. The CSI is based on the many possible answers to one single question: “What do you do when you don’t have adequate food, and don’t have the money to buy food?” The CSI requires some “up-front” work to ensure that all the potential answers to this question are known, and that it is adequately adapted to the local situation.

Source: Maxwell, 2008.

Reduced CSI (rCSI)

The reduced CSI has been developed to be used to compare food security across different contexts. It uses a standard set of five individual coping behaviours that can be employed by any household, anywhere. The five standard coping strategies and their severity weightings are:

- eating less-preferred foods (1.0);
- borrowing food/money from friends and relatives (2.0);
- limiting portions at mealtime (1.0);
- limiting adult intake (3.0), and
- reducing the number of meals per day (1.0).

The reduced CSI is less valuable in identifying the most vulnerable households in a given location because it contains less information—particularly extreme behaviours that may flag greatly increased levels of food insecurity. But it is very useful for comparing across crises or geographic targeting because it is measuring only the same set of behaviours.

Demand side shocks

Demand shocks include a sudden increase or decrease in demand, caused by a variety of events such as:

- increased regional or global demand
- increased demand due to localized crop failure
- increased demand for substitution products and services as a result of market failure
- decreased access to markets due to conflict, disasters, health epidemics
- decreased demand due to lost income or livelihoods,
- changes in population size due to displacement and/or migration,
- irrationality in pricing, for example due to rumours of impending shortages or hoarding.

Source: MARKiT

Financial service

A financial service is not the financial good itself—say a mortgage loan to buy a house or a car insurance policy—but something that is best described as the process of acquiring the financial good. (IMF)

Financial Service provider

An entity that provides financial services, which may include e-transfer services. Depending upon your context, financial service providers may include e-voucher companies, financial institutions (such as banks and microfinance institutions) or mobile network operators. FSPs includes many entities (such as investment funds, insurance companies, accountancy firms) beyond those that offer humanitarian cash transfers or voucher services (CaLP).

Food expenditure share

A food security indicator that is based on the premise that the greater the importance of food within a household's overall budget in relation to all the non-food consumption items and services, the more economically vulnerable the household is. It is constructed by dividing the total food expenditures by the total expenditures. The denominator and the numerator both include the value of the non-purchased foods consumed (such as those donated, grown, wild foods etc) so as to factor in food access components.

Integrated markets

Markets in which prices for comparable goods do not behave independently. If markets are well integrated, price changes in one location are consistently related to price changes in other locations and market agents are able to interact between different markets (CaLP). A market system is integrated when linkages between local, regional, and national market actors are working well. In an integrated market system, imbalances of supply and demand in one area are compensated for by the relatively easy movement of goods from other nearby and regional markets. (RCRC RAM)

Livelihood groups

Refers to groups of households within a community who share similar assets and capacities through which they gain their means of living. Members of each livelihoods group have the same means of living.

Livelihood zones

A geographical area in which people broadly share the same patterns of access to food and income (i.e. they may grow the same crops, or keep the same types of livestock, or can be an urban area depending on industry and services) and have the same access to markets. People sharing the same patterns of access to food and incomes will be considered a livelihoods group. Livelihood Zones do not adhere to administrative boundaries; they are often more closely linked to agro-ecological and climatic conditions.

Livelihoods

“The way that people use the resources they have available to support their lives”

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and manage to enhance its capabilities and assets both now and in the future, while not undermining the natural resource base (Chambers & Conway 1991)

Market (also called the ‘marketplace’)

Any formal or informal structure in which buyers and sellers exchange goods, labour, or services for cash or other goods. The word ‘market’ means where goods or services are exchanged and is not limited to the physical place. Markets are sometimes defined by forces of supply and demand rather than geographical location, e.g. ‘imported cereals make up 40 per cent of the market’.

Sources: MERS v3

Market system

The complex web of people, trading structures, and rules that determines how a particular good or service is produced, accessed, and exchanged. It can be thought of as a network of market actors, supported by various forms of infrastructure and services, interacting within the context of rules and norms that shape their business environment. Governments, state enterprises, and non-profit organizations are all involved in various market systems; for example, as employers, buyers of goods and services, and sometimes as providers of goods and services.

Sources: MERS v3

Minimum Expenditure Basket (MEB)

This is the identification and quantification of basic needs items and services that can be monetised and are accessible in adequate quality through local markets and services. Items and services included in an MEB are those that households in a given context are likely to prioritize, on a regular or seasonal basis. An MEB is inherently multisectoral and based on the average cost of the items composing the basket. It can be calculated for various sizes of households (CaLP).

Seasonality

Seasonality refers to patterns over the year related to changes in climate. Seasonal variations are seen in employment availability, health and nutrition status, market prices. Seasonality is usually associated with rural economies, but can also be equally problematic for poor people in urban areas, especially when these people spend a large proportion of their income on foodstuffs, the prices of which may be very volatile.

Source: adapted from Devereaux 2013.

Social Protection

The set of public measures that a society provides for its members to protect them against economic and social distress that would be caused by the absence or a substantial reduction of income from work as a result of various contingencies (sickness, maternity, employment injury, unemployment, invalidity, old age, and death of the breadwinner); the provision of health care; and, the provision of benefits for families with children.

Shock-responsive social protection is a term used to bring focus on shocks that affect a large proportion of the population simultaneously (covariate shocks). It encompasses the adaptation of routine social protection programmes and systems to cope with changes in context and demand following large-scale shocks. This can be by building shock-responsive systems, plans and partnerships in advance of a shock to better prepare for emergency response; or post shock to support households affected.

Social safety nets

They are programs comprising of non-contributory transfers in cash or in-kind, designed to provide regular and predictable support to poor and vulnerable people. Social safety nets, which are also known as 'social assistance' or 'social transfers,' are part of broader social protection systems (...) they help alleviate poverty, food insecurity, and malnutrition; they contribute to reducing inequality and boosting shared prosperity; they support households to manage risks and cope with shocks...Social Safety Nets protect families from the impact of economic shocks, natural disasters, and other crises.

Socio-economic groups/ wealth groups

Within a livelihoods group, there will be groups of households with different levels of food, income and expenditure profiles. These groups will also have different access to livelihoods assets, goods and services and use different coping strategies. Bundling households by socio-economic/wealth group within each livelihood group is an important part of the HES methodology.

Source: adapted from IFRC Livelihoods Guidelines.

Supply side shocks

Supply shocks result from changes in:

- production levels (due to weather, access to inputs, etc.)
- disruption to the movement of goods/services along the supply chain (due to conflict, infrastructure damage, access to transport, change in numbers of market actors, low/decreased capacity of traders, etc.).
- Whenever the amount of supply in a market is affected the prices can also be affected due to simple dynamics of supply and demand. Higher prices reduce the purchasing power of households, making them less food secure. Supply shocks can be local, regional or national, and they can affect a particular good or service or a number of them.

Source: MARKiT

Terms of Trade

In some communities you will be able to identify terms of trade for key items expressed in market values. This is another way of tracking purchasing power. E.g. the terms of trade for 50kg of millet in normal times are one male 2-year goat; in a drought year this exchange may change to 50kg millet for 4 goats. This is an indication of the reduced purchasing power of a household depending on goat sales.

Value chain

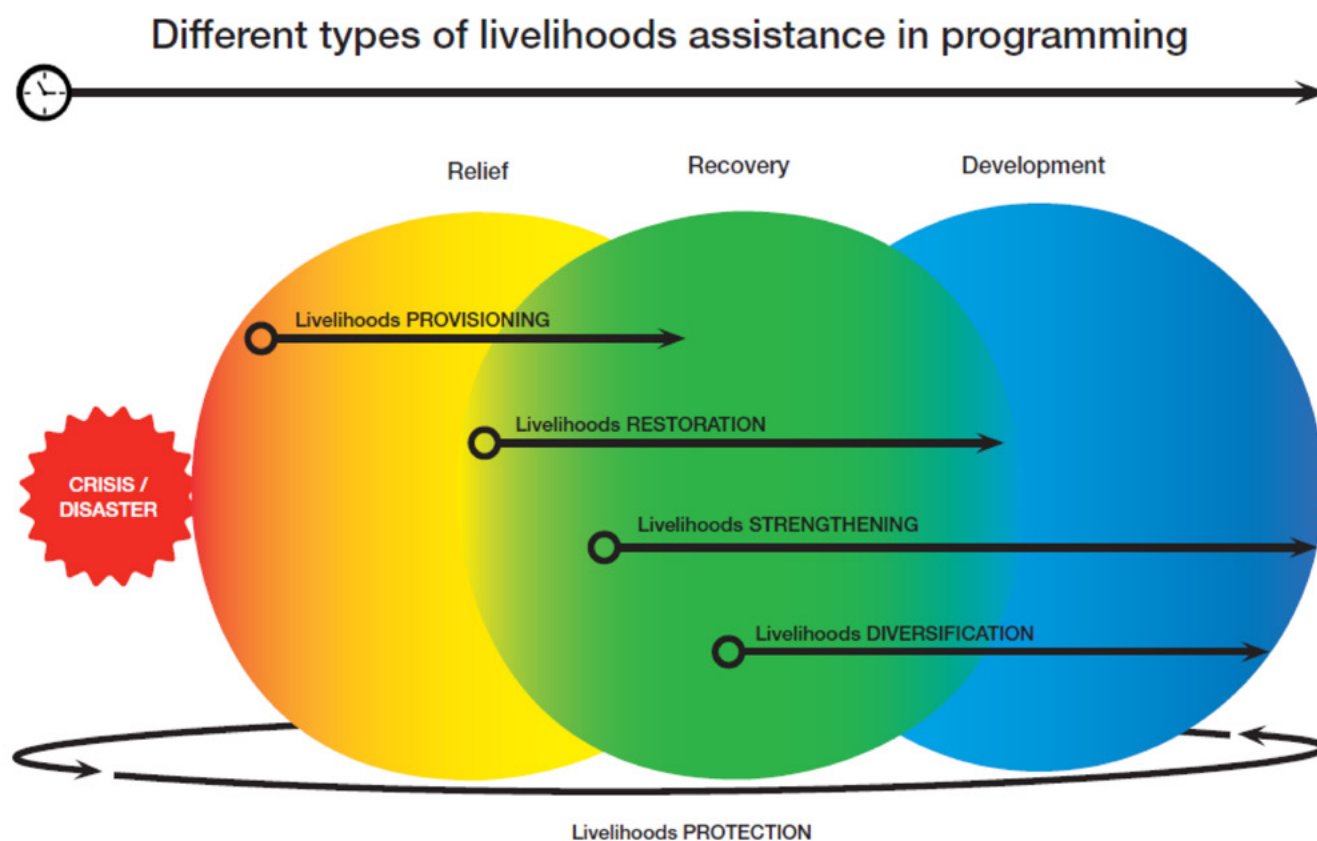
Describes the full range of activities that is required to bring a product or service from its conception to its end use and beyond, and involves design, production, marketing, distribution, and support to the final consumer. The activities that comprise a value chain can be contained within a single enterprise or divided among different enterprises. Value chain activities can be contained within a single geographical location or spread over wider areas.

Sources: MERS v3

Visit Section 2.1.2 - Response options per phases, of the [IFRC Livelihoods Centre Toolbox](#).

How can different types of livelihoods assistance be used in programming

IFRC has classified the possible livelihoods interventions into five groups depending on the main objective of the programme. The figure below represents several broad purposes of livelihoods assistance along a time line. Some assistance starts very early in the recovery process, some starts later and lasts longer, they are not exclusive of each other, depending on the needs and the context two or more type of interventions can happen at the same time.



Livelihoods Provisioning

After a disaster, productive assets and tools may be lost or damaged; farmland spoiled and crops lost; cattle dead; employment opportunities and jobs vanished; breadwinners dead or injured; and outside remittances unavailable. Therefore, households' source of food and/or income are vanished or dramatically reduced and this needs to be provided. In this context, resource transfers such as cash grants, free vouchers or free food alongside labour-intensive cash-for-work schemes for activities such as debris clearing, environmental cleaning and road repairs that provide the population with much-needed cash until people are able to return to their previous occupations is the most appropriate livelihoods assistance. These programmes are the first to be implemented and therefore are short term, providing little or no sustainability, so are usually complemented with other programmes.

Livelihoods Restoration

Support is provided to replace, repair or restore assets lost through the disaster or through conflict – such as livestock, tools and equipment, or destroyed land- in order to enhance households to resume their food production and/or their income generating activities. Programming here is less standard and depends on the disaster-affected population in each context; needs are examined and appropriate targeting mechanisms can be established.

Livelihoods Strengthening

Support is provided to achieve greater economic security, to increase resilience to future disasters or conflicts and to raise HHHs' standards of living. Programming can focus on improving the quality of physical assets (for example, planting improved seeds), developing skills and techniques, using better technology for irrigation or weaving, and identifying new and improved marketing methods and routes.

Livelihoods Diversification

Support is provided to families to construct a diverse portfolio of livelihood strategies in order to improve their economic security, resilience and their standards of living. Some examples would be vocational training to non-productive members of the household to facilitate their access to the labour market; providing individuals that have seasonal income with new skills to develop complementary livelihoods strategies; support disaster affected people that need to change their traditional livelihoods activity- i.e due to relocation or migration- into a new one; as well as diversifying the existing livelihoods by introducing a new line of business - for instance supporting cow breeder to produce cheese-. Diversification is usually more successful when it builds on an existing area of knowledge for experience and a sound understanding of the economy so is often supported only through development programming.

Livelihoods Protection

Support is provided for making human, physical, and natural assets less vulnerable to disasters. Some ways to protect livelihoods include better management of the natural resources used for livelihoods, improvement of early warning for disasters at the community level and access to financial services such as micro-finance including savings and micro-insurance.

