

4

Framework and definitions

The household economy approach (HEA) is intended to provide a way of describing and comparing a wide range of different types of economy. In order to do this it is necessary to ensure that all the necessary information is collected, and that this information is classified in a systematic way. In practice, sources of household income do not always fall neatly into clear categories. For example, cereals produced by the household may be consumed (a food crop) or sold (a cash crop). Not all foods classify easily as cultivated or wild – there are also wild crops which are semi-cultivated, for example by deliberately spreading seed. This chapter describes the framework used for information collection and defines the terms used.

I. Classifying household income

Household food production. The headings used are:

- food crop production
- animal products and livestock
- hunting
- fishing
- collecting wild foods.

Gifts. The heading is:

- gifts and relief food.

Income from the exchange of household production and labour. The headings are:

- the exchange of labour through self-employment, eg, petty trade, small transport services, and paid employment
- the exchange of non-food household production (for example, firewood, pots, wild foods, livestock products)
- the exchange of livestock
- the exchange of crops.

This list offers a sufficient number of headings to ensure that all sources of income are included and for useful distinctions to be made between different aspects of household economy. For example, livestock sales and crops are both household agricultural products that are sold – yet livestock is such an important source of income for many households, and its management and marketing so specialised, that it has been included as a separate heading. Similarly, fishing is a specialised form of hunting, but in some areas it is so important that it has been included as a separate activity.

This classification is not, however, absolutely rigid. When an HEA is used in an area where it is known that a heading is unimportant (for example, there is no fishing, or no market exchange), that heading can be dropped. Similarly headings can be subdivided if a particular local activity is sufficiently important or a finer discrimination is required in analysis. For example, paid employment may be divided into subcategories: local seasonal employment, employment at a longer distance within the country, and employment in a third country, which may lead to substantial remittances. The heading “food crops” may be subdivided into wheat, sorghum, pulses, etc.

The important thing is to ensure that no heading is excluded unless you are absolutely certain that it is completely unimportant in the case.

Note that in HEA we are interested in household income which can be used for consumption, net of costs. For instance, some income may be invested in food production (for example, buying seed, inoculating livestock). These costs are deducted before defining income. Not all food produced by a household is necessarily consumed within that household. Some may be sold, stored or given away.

In the field, you will encounter a wide variety of economic activities that create income. It is usually straightforward enough to categorise them under the headings given above. However, some items of income may cause problems, eg:

- items the household produces that are potentially edible but are in fact sold. For example, a household may produce enough wheat to meet half its consumption needs, but may routinely sell 20 per cent of this to obtain cash. In this case, the 80 per cent of the wheat consumed would be recorded under “own crops” and the remaining 20 per cent under “cash crops”
- relief food is mostly considered as a “gift” (as the household does not have to work to obtain it). But if the relief is given as food-for-work, it would be classified under “paid employment”.

In cases of doubt, the best way to decide where to put an activity is to think about what has to be done to obtain the income. Moreover, misclassification will often make no difference to the outcome of the analysis. For example, swarming termites are often gathered for food, and would therefore be classified as “wild food”. In some places, however, women from specific households have rights to specific termite hills, which technically speaking makes the termites a livestock product (meat). However, it would make no difference to the outcome of the analysis whichever classification was used.

2. Household food production

Food crop production

In most investigations the concern is to ensure that the household meets its basic calorific needs in the short term, rather than that it enjoys the best diet in the longer term. Unless you are specifically interested in the nutrients in the household diet, the description can be confined to the energy-giving foods in the diet.

So, for example, we need to know about sorghum and milk, but not about chillies or salt, or even vegetables such as tomatoes or spinach – which are very low in energy, however important they may be for vitamins and minerals.

Food crop production is defined in HEA as all activities where main food crops are produced (in a planned manner) under the direction of household members, for consumption within the household.

Livestock production

This means animal products produced by the household for consumption. It includes: milk and milk products including ghee, blood, meat and eggs, from cattle, sheep, goats, camels, pigs, domestic fowl, etc; fish where these have been farmed; and cultivated honey.

Fishing

This means all access to fish and other aquatic organisms for consumption within the household, where the fish have not been farmed. It includes activities such as netting, spear fishing, setting fish traps, river poisoning, line fishing, fishing with explosives and collecting molluscs.

Hunting

This describes all access to meat and other animal products consumed within the household, where the animals have not been managed. This includes activities such as hunting (with net, spear, gun, poison, etc), trapping and bird-liming. It may include collecting invertebrates such as termites and locusts, gathering wild honey and hunting reptiles and other small animals, but, depending on local conditions, you may prefer to put these activities under “collection of wild foodstuffs” (see below). Hunting may also include the stealing or rustling of domestic animals, where these are stolen for consumption.

Collection of wild foodstuffs

This includes all collection and consumption of non-farmed vegetable foods: roots, tubers, fruits, leaves, grains and other seeds, nuts, bark, taking grain stores from termite mounds, etc. At your discretion, this category may also cover invertebrates and other animal foods that are not really hunted. In some cases, wild foods are semi-cultivated in that people may encourage production by deliberately spreading seed (for example, the water-lily *Nymphaea lotus* in South Sudan): these can be included as wild foods.

A distinction should be drawn between wild foods, and “famine foods”. Wild foods are those which are collected as part of a normal diet, and/or may be collected in greater quantity in time of need. Some wild foods (and some cultivated foods such as cassava) are potentially toxic and require extensive preparation (peeling, grinding, soaking) to make them fit for consumption. Famine foods are those eaten only in desperation often despite their toxic qualities.

3. Gifts and relief

As a source of food, gifts and relief differ from sources listed so far in that the household does not acquire it through its own labour. In its pure sense, a gift of food is non-reciprocal: food is given to the household by other households or individuals within or beyond the food economy, and the recipient household gives nothing in return. In practice, this seldom happens. The household almost always gives something in return for the food it receives. This may have no “value”, in the sense that it cannot be converted into food: for example, the household may agree to come under the jurisdiction of the household that gave them food if there are any legal disputes. Often, however, the recipient household gives something of value, such as labour or a share of the harvest, to the donor household. Alternatively, they may give back the same commodity: they may receive a milk camel and later give a milk camel in return. Informants may well describe all these exchange transactions as “gifts”.

Hence, gifts may be difficult to categorise. If food is described as a gift, try to discover if anything is given in exchange (not necessarily at the time of receipt, as “payment” may be delayed). If the exchange is equal (as with the camels mentioned above), then the “gift” is cancelled out and can be disregarded. This will also be true in most areas for dowries or bride price, as over time a household will probably pay out as much as it gains. If the exchange is unequal, then ask yourself whether what is being “paid” for the food is the normal market price or a token payment. Ask also what would happen in a bad year.

Often gifts are repaid in labour. However, the amount of labour “paid” is much less than that which would be required to buy the amount of donated food in the market (thus making it a non-market, or token, payment of labour); and in a bad year, when the labour is not required by the giver, the gift of food may well continue. In this case, although the gift bears certain similarities to “exchange of labour” as a source of non-food income (see below), it is not categorised as such because the exchange works by different rules.

The category of “gift” as a source of food includes gifts of uncooked food, gifts or loans of lactating animals, gifts of cooked food (sharing meals) and temporary fostering, where a household member is sent to live with, and be fed by, another household.

Relief food

Relief food is food that a household acquires from sources outside the food economy (normally government, the UN, a non-governmental organisation (NGO) or a religious organisation). Relief food is generally obtained without any type of payment. This category includes emergency relief food, school feeding and feeding at clinics.

Food-for-work

Food-for-work is classified as paid employment. Note that this category only covers relief food that is a regular source of income year on year and which the household has come to expect.

4. Income from the exchange of household production and labour

Income from the exchange of household production and labour includes goods that have value, can be exchanged and are obtained by the household through economic or social activities. This income is mostly in the form of money, although in some areas payments for labour are made in food.

Because income from exchange comes in a variety of forms, it is referred to in this section as “value”, underlining its importance as income that can be exchanged for food or other items and to distinguish it from “gifts”.

Exchange of crops

This is where crops are exchanged for “value”: ie, cash or other exchangeable items. It may involve food crops, non-food cash crops (such as tea, coffee, rubber, cocoa, tobacco, cotton, flowers and sisal) and other non-processed (or minimally processed) vegetable products such as timber, copra, palm leaves, toddy and grass. The sale of farmed fish is included in this category. Do not include products that have been extensively processed, as these come under “exchange of other production” (see page 53): for example, timber from woodlots is a crop, but carved wooden tables are “other products”. You will have to use some discretion here. You may find it useful to separate sale of food crops from all other crop sales.

Rental income (which is sometimes in kind) from land can also be classified in this category.

Exchange of livestock or livestock products

This covers the exchange of livestock (or their products) owned by the household for cash or other value. Livestock are also categorised under “sources of food income”. Livestock products include milk, meat, curd, ghee, eggs, horn, hide, wool and honey. This category also includes manure, which can be “sold” to farmers: the manure often comes in return for free grazing, but sometimes the

farmer will in addition pay the livestock owner to graze animals on his fields. In this latter case, the payment should be included under “sale of livestock products”. This category also includes renting out livestock as draught animals.

Exchange of labour

This includes all exchanges of labour for value. Labour can occur on a permanent, seasonal or daily basis, in rural or urban settings, and the methods of payment may differ. With agricultural labour in particular, there can be difficulties of classification: however, you can usually be confident that the sale of labour is occurring when family members work on land to which they would not otherwise have access and receive cash, food or other goods in return for that work, the quantity depending on the amount of work they have done (note, however, the comments under “gifts” and “relief” on pages 52–53). When labour is paid in food, you can still include it with the creation of non-food income, because the mechanism by which the food is acquired makes it very close to (and subject to the same vulnerability as) the sale of labour for cash.

Exchange of other products manufactured in the household

This covers all exchange for value of products manufactured in the household, or by household labour, where the household controls all the factors necessary to produce the goods (that is, they are not working for somebody else). There are many items exchanged in this way, but mats, charcoal, beer, baskets, jewellery and pottery are amongst the most common. As with other categories, if there are large overheads only profit should be recorded.

Exchange of fish

This covers the exchange of (non-farmed) fish for value.

Exchange of wild foods

This covers the exchange of wild foodstuffs and other non-managed, seasonal, naturally-occurring products for value. This category includes the sale of aloe and

medicinal herbs, for example, but not the sale of firewood or gemstones. These latter would be included under “exchange of other products manufactured in the household”.

Trade

Trade means the exchange of goods that have previously been brought into the household (that is, have not been produced in or by the household) and then re-exchanged. These goods can be crops, livestock or consumer products. The important point is that they are bought and then resold to create income – for example, buying a sack of sugar and selling it on in smaller parcels. Again, take care to record profit only.

5. Savings, assets and reserves

HEA normally uses four categories of savings, assets and reserves:

- **Food stocks.** The food in stock in the household over and above that required for consumption in the current year or until the next crop. In other words, food that could, if necessary, be used to cover a deficit in income. This also includes the storage of wild foods and animal products.
- **Cash savings.** The cash available to the household over and above that required for current consumption. Again, this could, if necessary, be used to cover an income deficit.
- **Livestock holdings.** Those animals that are under the control of the household and are a potential food source, or which could be sold and the proceeds used to purchase food. Livestock include cattle, camels, sheep and goats (often recorded as “shoats”, although a distinction may be made if there is a large difference in the value of sheep and goats), poultry, rabbits and guinea pigs.
- **Other potentially tradable assets.** This might include corrugated roofing sheets, radio sets and other household items.

It is important to keep in mind that some potentially tradable items including ploughs, draught oxen and land are necessary for production. These items may be included but they should be clearly distinguished from food and other goods which more clearly form reserves of wealth which might be used to cover a period of reduced income. This distinction may be necessary when findings are analysed.

6. Distinguishing between wealth categories

There are two basic points to make about distinguishing wealth categories:

- You, the person making the enquiry, do not define poverty or wealth. Your informants do that. In each food economy, you should allow informants to explain what would mark a household as poor, what would mark it as typical and what would mark it as rich. You will then proceed with these local definitions of the categories of wealth.
- The basis of wealth will vary according to the major sources of income. Among agricultural populations, a widely used indicator of wealth is the amount of land cultivated; not necessarily the amount of land “owned”, as the former term combines information about access to land, labour and other inputs in one measurement. Pastoral populations (as well as some agricultural people) may measure wealth by the number of livestock held. In some places where paid work is the basis of the economy, the wealth indicator may be the number of economically active members of the household.

It has been the experience of Save the Children teams that key informants in an area will normally agree on the most important criteria.

Having the criteria defined by the informants does not prevent you from comparing one food economy with another. The “poor” households in two different areas may have been locally defined, but you will still know the numbers of livestock, the levels of agricultural production, etc, of the two groups and so be able to compare them. The aim is simply to find an agreed way of

differentiating between poor and rich that can be used as a basis for subsequent discussion.

When you are dealing with the poor and rich groups, you should aim to ignore the extremities of the scale. There will almost always be a small number of extremely rich people in a community, perhaps landlords or money-lenders; and similarly there may be small numbers of destitute households, which are economically inactive or are living on charity. You need to find the “typical” poor and rich. In practice, this means identifying not how the poorest 1 per cent of the population live, but how the poorest and richest 10 per cent live:

- **The poor.** These are the poorest households that are economically active, making up at least 10 per cent of the population. This means, in practice, that a “model” poor household will not be in the very poorest (near-destitute) 5 per cent of the population, but will fall somewhere within the bottom 10 per cent. In some areas, this model household may in fact represent a large proportion of the population, with most of the bottom 20 per cent or even 25 per cent of households in this group.
- **The rich.** A “model” rich household will fall into the top 10 per cent of the population, but will not be in the top 1 per cent (who tend to be very much richer and therefore unrepresentative, even of the rich group).

To get an idea of the differences within any society, you need at least three levels of wealth. In some places, however, you may find that people consistently and convincingly identify more than three levels, and you should then do likewise.

7. The wider economic context of households

Households exist in, and are often dependent upon, a wider context such as:

- markets, in which they may need to exchange products for food and other items. We cannot say that we understand household economy unless we understand these links: not only because disaster may affect them, but also because they are central to the ability of many households to expand their income and realise the value of assets when other sources of income fail
- the local environment, which governs whether food and non-food production – hunting, fishing and the gathering of wild foods and non-food products that can be consumed or exchanged for food – can be expanded when other sources of income fail
- non-market transfers. The ability of a household to survive may depend on food and other goods obtained from kin, other members of the community, government and other agencies.

Markets

We need to know how the household normally uses exchange to acquire income. For the purposes of HEA, exchange forms the link between the household food economy we are looking at and the wider economy. So if people sell or buy labour, livestock or mats at a place outside their own area, the information required is a description of who sells – or buys – what and where they do it. Information may also be required about the market itself and the way in which this works.

In general we are interested in six categories of market exchange:

- livestock
- crops
- non-food production (for example, firewood)
- food
- paid employment
- self-employment.

In HEA a market is defined as a place where exchange occurs. This place may be a specific named market in a town or a quite large area – for example, a district where people find agricultural work .

People often use more than one market for the same commodity. It is helpful to know the relative importance of each market to the household.

People often travel long distances to find work, and the markets may be in other countries, including the richer countries of the Middle East, Europe and North America. It is important not to miss these, as the value of remittances can be considerable.

Non-market transfers between households and the availability of wild foods

In many places people are able to survive periods of reduced income by obtaining additional food, livestock or cash on non-market terms from kin, or as charity, or by collecting additional wild foods. Information on the extent to which non-market redistribution between households may potentially meet household needs under conditions of reduced income, and on the potential availability of wild foods, is also usually collected.

The seasonal picture

A household's sources of income will often be seasonal. For example, a household that obtains part of its income from crops harvested in December may eat nothing but home-produced crops between January and June and nothing but purchased cereals between June and January.

Food economy assessments should include a detailed seasonal calendar showing when different methods of food and income are obtained. This allows an element of seasonal interpretation.

For example, consider two areas in which the population obtains 50 per cent of its food needs from its own crop production. In one of the areas, all this production comes at one time: there is only one harvest because there is only one rainy season. In the other area, the production comes from two harvests and relies on two rainy seasons. The effect of the rains failing will be very different in

the two areas. In the first, the entire domestically cultivated component of food income – 50 per cent of food needs – will be lost. In the second, a proportion of the domestically cultivated component will be lost, but provided the second rains are successful, the second harvest will make up for at least some of the 50 per cent.

The amount of detail required in the seasonal picture will depend on the use you will be making of the information. In many cases, it is useful to know not only if a household will be short of food or experience some other economic difficulty, but also when this is likely to occur.

8. Units

When collecting information, it will be necessary to use the units employed by the people themselves. These will often be sacks, cups, tins of various sizes and beer bottles rather than standard measures of weight or volume. A list of conversion factors is needed to convert these local units into standard units (kilos, litres, etc).

HEA converts all the food produced by the household (and in some applications the cash savings, livestock and assets) into food energy units, or kilocalories (kcal). This is so that items such as milk or meat can be compared with cash, grain or wild foods, thus enabling comparisons to be made between households.

Food energy units (rather than, for example, cash) are used because:

- it is not always possible to put a cash value on some items of income, as these are not bought and sold. Milk and meat, for example, are often produced by a household and are consumed or given away, but not sold
- as access to food energy is often the primary concern of HEA, it is more convenient to think consistently in such terms. It also makes calculation easier.