IMPACT GROUP CLASSIFICATION

Introduction

Even in the same gender, network group or community you will find different levels of capability, different levels of assets ownership, different levels of access to resources such as land and ultimately different levels of vulnerability and ability to cope with shocks. If GEM programmes are to bring about systemic change that transforms the livelihoods of people living in poverty, interventions need to be built on an understanding of the characteristics and needs of the individuals and communities they are targeting.

This guidance assists the user to understand the different socio-economic groups that may exist. From this, it supports the user to identify impact groups to target in the programme, and appropriate goals. It does this by conducting research on a sample population.

Use this tool when:

- You are developing a new programme and need to understand potential impact groups better and determine goals

- There is a need to re-orientate a programme based on significant changes to the population or context, or recommendations made in evaluations or programme reviews

Impact group classification and goal identification is a prerequisite to Market Selection.

N.B. Although the guidance has been written primarily with households in mind, the analytical steps in this process guidance document can be adapted to identify, analyse and understand a range of different networks or specific groups.

Average time for using this tool?

For humanitarian programmes it is recommended that at least 1 to 3 working days are earmarked for this step to enable some key informant, household and focus group interviews.

For development programmes the time needed can be anywhere between 3 to 6 days depending on the availability of secondary data, depth of information sought and the level of field-work required to collect data and undertake interviews. This may be divided into separate visits.

Who leads?

The best case is for a local partner with legitimacy in the area to lead on engaging with community members and leaders, and helping select those to interview.

Who needs to be involved?

Oxfam project staff and partners; Oxfam programme managers; community level facilitators; community members; local and international NGOs, government actors and civil society groups working in the intervention area should be consulted during this step, to obtain their views on capacities and vulnerabilities of the population of interest.

Important Related Items

- Gendered Market Mapping
- Market Selection
- Systems and Power Analysis

A care analysis, gender and/or protection lens to the data collected and analysed is required. The following tools can be used to gain this information:

- Rapid Care Analysis
- Gender Based Violence Guidance
- Social Norms Analysis
- PCVA

IMPACT GROUP CLASSIFICATION

Activity 1: Preparation

Identifying target locations, and preparing for initial interviews.

Activity 2: Wealth profiles

This activity will provide you with a detailed understanding of the wealth groups in your chosen community.

Activity 3: Goal identification

Once you have knowledge of your impact group, this activity will help you to identify and prioritise their most urgent needs and how to address them.

Annex 1: Further guidance for post-shock contexts

Annex 2: Example from Yemen

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IMPACT GROUP CLASSIFICATION

Activity 1: Preparation

Step 1: Review the literature

It is assumed that before you do this exercise you have carried out some country or regional analysis and have a basic understanding of the geographic area including the distribution of livelihood and wealth zones (this exercise will then allow you to dig deeper and better understand the differences within social groups). If you do not have this, you can consider carrying out a livelihoods zoning exercise to deepen your understanding. This should complement existing reports and research – though that data may be outdated, inaccurate or not specific enough for what you need, so testing this secondary research against your own findings is recommended.

Step 2: Selecting and preparing locations

Pick a set of locations that will be representative of the larger area you are interested in. The advantage of using a variety of communities is that you can be confident that the data on which your programme is designed represents the realities of poor people at the current time. The disadvantage may be that, your resources do not allow as comprehensive survey as you would like. You may find it useful to use a combination of secondary and primary data to overcome this.

Step 3: Community meetings

Once you have selected your communities, agree a convenient time to come to the community with local leaders. It is recommended that you arrange to meet both mixed groups as well as make separate arrangements for men and women. It can also be useful to have community mobilizers in the community who will gather people before you arrive.

Start your meeting with the group by explaining the purpose of the visit and the estimated length of the discussion. Use guidance in Activity 2 to help shape your meeting.

Activity 2: Wealth profiles

The guidance below comes from the Household Economic Analysis (HEA) Framework. It is only one part of the HEA process. If you have time, resources and the capacity, you can also do a full HEA Analysis but it is assumed this will not be possible in most instances.

The following can be run in a plenary format or, more appropriately, in a participatory format in which a facilitator supports community members to work together to identify socio-economic groupings and answer the questions at each step. Get the groups to present their findings on flipcharts, to facilitate discussion and sharing.

Step 1: Initial community interviews

Use opening questions to start discussions on the subjects you need to cover, adapting them according to your needs. Use these opening questions to identify social economic groups based on some of the following criteria:

Potential household classification criteria
Sources of food (own production, market, gifts etc.)
Sources of income (sale of crops, casual labour etc.)
Social capital
Income level (including remittances)
Reliance on manual labour
Food deficit level including seasonality
Cultivated land size
Access to other productive resources (including livestock)
Levels of education and skills
Levels and types of risk experienced
Savings
Debt
Access to financial services

Appropriate questions for analysis might be:

- o How do people in the area make a livelihood, and what are the main differences?

- What are the different characteristics of individuals/ households who are doing well, or not in this area? Who/what influences how a household/ individual does?
- How do women make a living, how is it different to men?
- When do the various groups in the community undertake various activities? This could lead into a seasonal calendar activity – see below.
- Who are the main employers of the manual labourers? Are there sufficient employers for the number of assumed employees? This is a good way for triangulating labour in an area. See 'Further guidance' for information on labour markets.
- Prompt participants to provide estimates of household size and asset ownership for each group, levels of education – whatever criteria you feel might be important.
- Ask participants what the food situation is in each group – where households get food from and the length of any 'hungry periods'
- **In a post-shock context:** The assessment should also include questions to understand what has changed. Have people lost assets? Have they moved from one category to a poorer one? If the population of interest suffer from regular shocks, look at the frequency and types of shocks over a 20-year period. Assess (using participatory methods) the impact of the shocks on livelihoods and wealth group (size; has the proportion of households in that wealth group changed due to the shock; has asset ownership altered, etc.). This will provide information on specific recovery needs and potentially on incorporating elements of preparedness and resilience in the programme that is developed.

As you are listening, record the main criteria people are identifying on a flip chart to ensure everyone can see what is being noted.

Group the criteria under the socio economic groups that are identified and ensure that participants agree with what has been produced.

Keep in mind

The terms "rich" and "poor" may be loaded with subjective pre-conceptions and should be avoided. Where possible use local names for these groups so long as they are not discriminatory. It is often easier to talk about differences in how people obtain access to food and cash: those who have to work for others to get food; or those who hire people; use "better off" rather than "rich".

Listen carefully to pick up the terms your informants use try to use similar language. Your conversation should be carefully crafted to provide the space to let your informants define the wealth groups.

Remember to always check for differences between men and women.

Step 2: Creating wealth profiles

Once you have come to an agreement on the wealth criteria for each group, you need to find out the proportions of households falling into each of these groups. This will start to give you an idea of the relative significance of different groups across a larger area – although you may also have secondary data that shows you this.

Once the division is made, you can refine your questions, confirm your understanding, cross-check your results, and ensure that your communication with your interviewees has been clear. Visuals can be useful at this stage.

Aim to divide the population into four or more wealth groups. A breakdown with fewer than four groups tends to mask real differences in access. Therefore, when you proportional pile the groups, if there are fewer than four groups and one is very large, you should sub-divide it, asking your key informants to describe critical differences *within* the group. It may even be necessary to divide beyond four groups (for instance if there is a very rich group that constitutes only 1 or 2% of the households). Even though it may not be possible to conduct intensive interviews with this kind of group, it is sometimes useful to include these in the subdivision simply as a means of ensuring you have a complete picture of the community economy.

Step 3: Setting up detailed wealth group interviews

The last task is to interview representatives of the wealth groups identified, in order to gain a more complete profile of their members, and to inform the choice of markets based on identified group goals. As the wealth breakdown exercise is coming to a close, you should ask the community representatives to select 5 – 6 people from each of the different wealth groups for further interview, focusing on the specific groups that you are aiming to target for your project. If possible, aim to speak with new people, not the people who participated in the community-level interviews to gain a wider range of understanding of each wealth group's characteristics..

Be as specific as possible about who you wish to speak to when you are requesting interviews. Be clear when you request a group of women if you want female-headed households or not (whichever is typical for the wealth group) as it is easier to interview a consistent group[1]. It is especially important to provide sufficient time to the leaders to gather the right people.

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[1] For further guidance on selecting interview groups and interview techniques, please see page 88 of 'The practitioners guide to the Household Economy Approach' (2008) Regional Hunger and Vulnerability Programme, Save the Children and Food Economy Group.

At the end of these interviews, you should aim to have:

1. A wealth breakdown representing the realities of the local population, the challenges and barriers they face in attaining food and livelihood security, as well as opportunities and resources that they cannot capitalise on due to barriers or challenges faced.
2. Qualitative and quantitative data (including ranges) relating to the household size, asset ownership, income levels, savings and debts, food and income sources and typical coping capacities or strategies used. [2]
3. A seasonal calendar (see below) of the main events and activities within the livelihood zone.

See steps 4, 5 and 6 for guidance on how to collect this information.

Step 4: Identifying opportunities, barriers and wealth levels

Begin the interviews with questions on:

- What challenges and barriers are faced in attaining food and livelihood security?
    - Do these vary according to the gender, age and ethnicity of the person?
    - From their perspective, what are the causes of these challenges and/or barriers?
    - What impact do these challenges and barriers have on their lives and what change would be possible if they were lifted/ eased?
- What opportunities to increase food and livelihood security are they aware of, but cannot take advantage of.
    - Are there any reasons why this is the case?
    - Are some opportunities available to some but not others? If so who and why?
- Do they have examples (from the same or other communities) of how these barriers and/ or challenges have been overcome? What was needed and what has been the impact on the lives and livelihoods of these people?
- Are there any trends in the behaviour or policies of people they rely on for food and livelihood security that concern or excite them? What are these trends and what are the implications of them on their lives and livelihoods?

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[2] Coping strategies are: 'The capacity of households to diversify and expand access to various sources of food and income, and thus to cope with a specified hazard'. 'The practitioners guide to the Household Economy Approach' (2008) Regional Hunger and Vulnerability Programme, Save the Children and Food Economy Group.

Step 5: Understanding seasonality

All aspects of a household economy are influenced by seasonality and seasonal calendars are the basic tool for seasonal analysis. Understanding seasonal variations is essential in order to:

- Understand the seasonality of crop and livestock production activities, e.g. When crops are planted, eaten green, harvested and sold
- Understand food access for different groups in different seasons of the year (the food gap or hunger period)
- Determine which indicators are useful for monitoring seasonal food access
- Identify periods of rainfall and water availability since these affect crop production, grazing, migration and disease
- Identify months of higher expenditure and income
- Understand in which months shocks are more likely to occur

The figure below is an example of a seasonal calendar:

Figure 4. Seasonal calendar for the Gwembe Valley Livelihood Zone
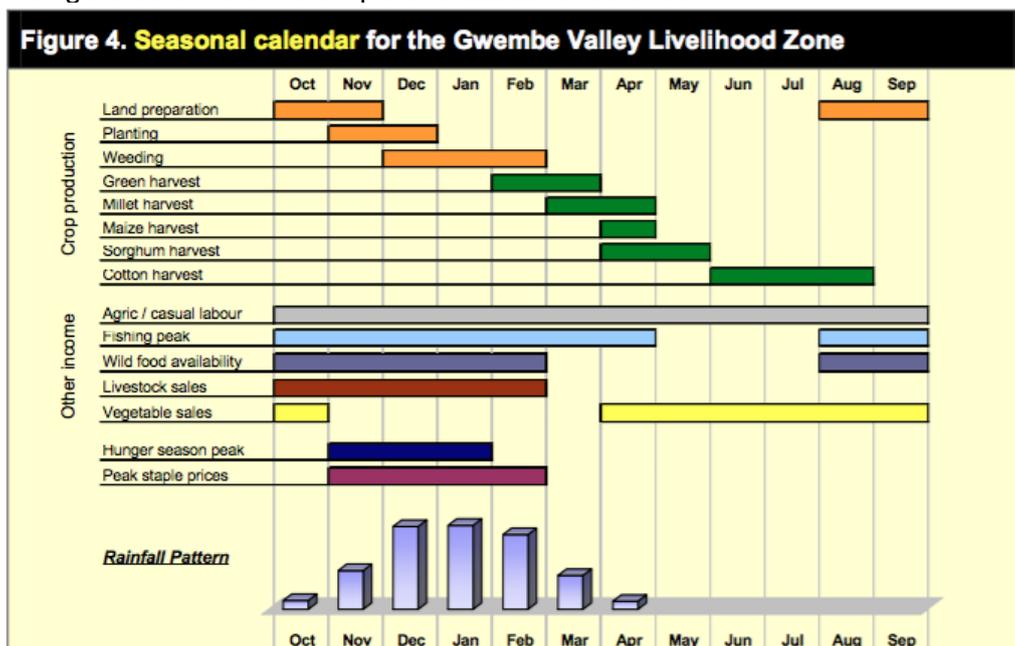
Source: 'The practitioners guide to the Household Economy Approach' (2008) Regional Hunger and Vulnerability Programme, Save the Children and Food Economy Group

Step 6: Presenting results

Being able to present your findings in a user-friendly and accessible manner is important. The use of a summarising table can assist data access and utility. The table you will end with up may look something like this (headings may vary):

Wealth Group Information							
Wealth Group	% HHs	HH size	Average income / monthly	Income Sources	Food status	Productive Assets	Level of education

Very Poor	25-35%	5-7	12,500 – 20,000	Unskilled labour, petty trade	Lean period, Jan – July	None	None or Primary School
Poor	25-35%	5-7	20,000 – 50,000	Petty trade, unskilled labour	Lean period Mar – July	1 HA land poultry	Primary or Middle School
Middle	20-30%	5-7	50,000 – 125,000	Employment, sale of crops, petty trade	Food all year round	3-4 HA land 10-15 shoats poultry	Middle or Upper School
Better Off	10-20%	5-7	125,000 – 500,000	Business or wholesaler, remittances, sale of assets		Up to 10 HA land, 2-3 cattle 20-30 shoats	Upper School or University

To the degree possible within each group, make a clear distinction between households that have both women and men, and single-headed households (either just women or men) and make sure to include the gender. This can help in defining the types of interventions you want to design later on in the project.

Activity 3: Goal identification

Step 1: Identifying goals

At this point in the analysis, you should have a good understanding of the livelihood activities within the livelihood zone, the various wealth groups and their characteristics and a sense of their needs. Each potential impact group will have a set of necessary 'goals' and each of these need addressing in different ways. These may include:

- Increased food and nutrition security: Market responses to improve access to food can include:
  - Increasing the incomes of poor people (for instance via access to waged labour) allowing them to purchase more food.
  - Increasing production levels or improving storage of food for poor farmers so they can increase own-consumption – for instance by improving market functions such as extension services or access to knowledge about storage facilities.
  - Increasing supply of food in the market, bringing down price and food accessible all year round.

- Increased income: All wealth groups have an interest in income growth, but the type of income opportunity they can persue and the use to which they put income will differ with group. Households that have the capacity to meet their food needs are likely to be more orientated towards increasing their income, hence the goal of 'income growth', and their level of market engagement will be a step ahead.
- Reduced risk: In disaster-prone areas, as for groups residing in such an area, having livelihoods that can withstand recurrent disasters can be the priority.
- Increased agency for women: Having more time, agency and power to take advantage of market opportunities will be a critical element for most women.
- Increased market access for women
- Long term recovery: supporting long term market-based livelihoods that are resilient to frequent climate impacts (such as fast and slow-onset shocks like typhoons or drought).
- Increasing access to labour opportunities
- Improved access to food at any time: under better conditions of trade, price, etc.

The table below provides an example:

Impact Group (Based on wealth group analysis)	Goals (Based on needs analysis)
Poor women farmers who cannot produce a surplus	Access to income that enables them to buy more food Access to labour and micro enterprise opportunities Access to affordable food all year round Access to social protection Access to resources that enable them to increase own-production.
Poor farmers who are able to generate a surplus for sale in markets	Better access to markets outside region Access to better prices for quality graded produce Access to better quality inputs Access to knowledge, technology for processing / adding value to produce

Step 2: Identifying impact groups

Identify the Impact Group(s) the programme will address. This is a key step and should be made on the basis of the analysis undertaken, organisational and country strategies (such as the Economic Justice strategy), past programme experiences and opportunities.

Selection criteria can be applied if there are concerns that the same Impact Group will be selected on the basis of past programme experience and not necessarily taking needs and opportunities into consideration.

Step 3: Short-listing goals

Short-list impact group goals to 2-3 goals. Impact group goals can be short listed on the basis of criteria such as:
- Programme expertise and experience
- Staff capacity
- Organisational and programme strategy
- Programme resources and duration

Brainstorm potential markets related to the short-listed impact group goals. If more than one impact group has been selected, a market opportunity may be available that serves both groups, or different markets may be needed for each group's particular goals. This list will be discussed further in the next tool, Market Selection.

Annex I: Further guidance for humanitarian contexts

Data collection in a humanitarian setting

In a post-shock setting, especially in a rapid onset disaster, conflict or insecure context, key informant and household interviews may not be possible due to the dynamic nature of the context and the ability of households to provide relevant information. Depending on the extent of the shock and its impact on household livelihoods, the user should decide whether or not a pre-shock livelihood baseline is relevant or not. Due to restrictions in time and human resources, humanitarian programmes (especially those in a post rapid on-set shock context) should:

1. Focus on collecting data via secondary data, FGDs and key informants.
2. Where possible incorporate related and relevant questions into humanitarian assessments.
3. Liaise/ collaborate with like-minded organisations so that the work can be shared.
4. Collect the minimum amount of primary and secondary information required at this stage, with clear plans as to when additional data can be collected at a later stage.
5. Involve staffs that have knowledge of the potential Impact Group and the skills and expertise to undertake such analysis.
6. Identify representative communities and households for interview. In doing so, the user can reduce the number of interviews needed.
7. Reduce the feedback/ verification process to the minimum.
8. A wealth ranking exercise can be done over a few days in a representative sample of communities. The advantage of doing this is that you can be confident that the data on which your programme is designed represents the realities of poor people at the current time. The disadvantage may be that, your resources do not allow as comprehensive survey as you would like. You could always use a combination of secondary and primary data to overcome this. The guidance below comes from the HEA Framework. It is only one part of the HEA process. If you have time, resources and the capacity, you can also do a full HEA Analysis but it is assumed this will not be possible in most instances. Although Oxfam staff could do this exercise, it is recommended that it is done by a local partner with legitimacy in the local community.

Annex II: Example from Yemen

Case study

In 2013, the Yemen team used the household classification as a base for the subsequent market selection and market mapping. Using existing HEA data the team distinguished five groups: the very poor, the poor, the medium poor and the better-off. Women were considered as a separate group with specific needs.

Characteristics of livelihoods and levels of assets were noted. For instance, the very poor had no access to land and relied exclusively on casual labour, the poor had land but rarely generated a surplus whilst the medium poor generated regular surpluses which they sold.

This classification led to the identification of different broad goals. For instance, the very poor needed increased access to labour opportunities and better functioning food markets in 'lean' periods; the medium poor needed better access to agricultural produce markets including better access to inputs.

This information informed the selection of markets and the identification of interventions areas during market mapping.

Social indicators	Economic indicators (areas of differences)
Poverty	Assets
Marginalization	Sources of Income
Disability	Skills
Age	Financial capital
	Vulnerability
	Housing materials

Wealth-group characteristics and goals

Category	Characteristics	Goals
Very poor	1. Landless 2. No ownership of shoats 3. Limited social network 4. Depend on farming labour and casual work 5. Dependent food donation from HHs, zakat and charities 6. Marginalized 7. Beneficiaries of SWF (government social protection scheme) 8. No decent housing 9. Petty trade in water and firewood	Increased income and improved food security via: 1. Increased labour opportunities and small enterprises opportunities especially in non-agriculture season 2. Improve food security through own production 3. Meet their basic needs in food 4. Improve access to labour market 5. Diversify income generating activities for male and female 6. Improved access to health services and clean water

		7. Start some level of production 8. Improve efficiency and coverage of the SWF
Poor	1. Have a rain fed land of 1- 3 Maad 2. Involve in shoats and crops sharing schemes because of difficulties in accessing capital and input 3. Involve in some petty trade and smuggling activities 4. Work in rented motorbikes	Increased income through: 1. Labour opportunities (in agriculture markets) and linkages to other markets including urban 2. Small scale enterprises opportunities 3. Improve food security through stabilization and improvement of production and by increasing productivity of agriculture and improve access to assets and input 4. Income diversification 5. Better access to the market for sale and credit for men and women 6. Access to extension services 7. Skills training
Medium	1. Own land 3-5 Maad 2. Own 5-10 shoats 3. Farming Sorghum (Rain fed and irrigation) 4. Have social capital 5. Have remittances income 6. Own some assets 7. Practice smuggling activities 8. Engage in small businesses 9. Own small shops and motorbikes 10. Have family members with salary	Increased income through: 1. Improved income from markets including via increased production and access to the market 2. Improved food security through diversification of production and diet 3. Improve income to increase assets 4. Improve access to irrigation and agricultural inputs 5. Better access to veterinary services, farming extension services and credit market 6. Business development skills
Better Off	1. Own large size of land 15 - 25 Maad 2. Grow cash crops 3. Raise shoats 4. Have access to irrigation systems/wells 5. Food secure 6. Have better assets, savings ,capital and credit 7. Employers of the poor and very poor	Increased income through: 1. Better access/sales in markets (productivity enhancement) 2. Improve food security through diversification of production and diet 3. Increase income, productivity 4. Improve access to the markets, credit market and

	8. Own good housing, car and shops	modern technology and knowledge 5. Access to regional market 6. More extension services 7. Diversify crops 8. Business skills
Women		1. Resource control 2. Income generation 3. Mobility 4. Literacy