Part 1.1 Vulnerability Analysis from a crisis-specific socio-economic perspective

Who needs a cash grant? The concept of socio-economic vulnerability in humanitarian crisis.

What It Is

Vulnerability Analysis (VA) identifies who cannot meet their needs and why. In the context of cash-based interventions, VA includes developing a basic understanding of economic insecurity. Understanding socio-economic vulnerability, its nature, scope, depth and causes, will inform:

- The appropriateness of a cash transfer to meet multi-sectoral needs.
- Gaps Analysis and the MPG transfer value.
- Targeting criteria and strategies.
- Complementary programming

Put simply, where lack of economic access is not a cause of vulnerability, cash transfers will not be an effective response option.

Essential Checklist

Define vulnerability in relation to need, in this case, economic vulnerability. A few examples from recent emergencies are provided here:

- Destitute refugees who are unable to meet their basic needs (Iraq).
- Refugees with poor financial resources who are not able to meet their basic needs (Lebanon).
- The vulnerable who are unable to meet basic needs and have limited economic access to basic services (Jordan).

This does not mean that providing cash will automatically reduce or eliminate all vulnerabilities. Vulnerabilities are often multi-faceted, hence the importance of problem and causal analysis.

Look at economic vulnerability from the perspective of multi-sector outcomes. Use VA to identify where lack of economic resources contributes to multiple problems, e.g. poor food security, shelter, health, education or protection outcomes. This can lead to a combination of socio-economic and sector-specific indicators for targeting of MPGs and complementary assistance, e.g. the families of school-age children not attending school due to poor socio-economic status (see Box 3 for an example).

One opportunity inherent in providing MPGs is that households and individuals will naturally use cash in a multi-sectoral way – to pay rent, buy medicine, pay for transport to markets or employment, buy fresh food, etc.

Remember, agencies who want to achieve sector-specific outcomes may use different vulnerability frameworks. If an MPG has multi-sectoral goals, work together from the beginning to find commonalities and reconcile differences, otherwise there is a risk of undertaking VA in such a way that it does not reflect the concerns of different agencies and sectors.12

VA and identification of vulnerable groups should be context-specific and evidence-based, and not based on assumptions about vulnerability, e.g. all elderly widowed females are vulnerable to socio-economic deprivation.

Triangulate different methods and analyses, including community validation of results. Validation by communities is a key principle of VA (and targeting). While the degree of community participation will depend on the context, as far as possible agencies should validate the entire process with communities, and should include their perceptions of socio-economic vulnerability and who is vulnerable (see Table 1).

Describe breadth and depth of socio-economic vulnerability. This will help inform targeting strategies that either aim to spread a smaller benefit to more people or a larger benefit to fewer people.

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12 UNHCR and WFP (2015) Lessons learned from the targeting of cash and food assistance in the Syria Crisis, Kay Sharp.
### TABLE 1. Methods for vulnerability analysis

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<th>Method</th>
<th>Advantages</th>
<th>Disadvantages</th>
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| **Community consultation:**  
The community is asked what their perceptions of poverty are and who is most likely to be poor. | Good for testing assumptions about vulnerability, can identify marginalised groups that are culture- or context-specific, can result in greater community ownership and therefore buy-in to results. Is less costly, and is timelier. | The marginalised may be excluded from the process if not careful. Communities may not know each other, e.g. in urban or displacement crisis. |
| **Expert consultation or “Delphi”:**  
Gathering data from experts in their area of expertise, e.g. food security, health, shelter, protection, etc. | Can draw on the use of standardised indicators that have been tested and validated, e.g. household hunger index, crowding index, access to at least 20 litres of water per day. Can increase buy-in for multi-stakeholder users of result, e.g. targeting MPGs. | Experts may rely on assumptions that have not been validated for a particular context. As economic vulnerability is a relatively new concept, there may be a lack of understanding of what causes certain vulnerabilities and the role of cash, e.g. protection abuses. |
| **Household surveys and statistics:**  
Sample surveys using household questionnaires with descriptive and analytical statistics. | Can be very rigorous and accurate, reducing inclusion and exclusion errors. Tests assumptions. Can use existing household data and add value to that data through its use in VA, e.g. Multi-Sector Needs Assessment data. Tests a wide range of potential indicators and discards those that do not show a relationship with the preferred outcome. | Requires significant amounts of data, time and expertise, all of which are usually under-estimated. Highly dependent on the relevance and quality of the data. Unless validated by affected population, lack of participation may result in lack of acceptance of results. |


If using proxy\(^{13}\) indicators for vulnerability, they should be easy to describe and use. Use SMART indicators (specific, measurable, relevant, verifiable, etc.).\(^{14}\) Proxy indicators (and subsequently criteria) should be tested and validated either qualitatively or quantitatively to establish their degree of association with the desired outcome, e.g. adequate consumption of a minimum basket of needs (food, shelter, water, health, education, etc.) or the reduction in negative coping mechanisms that increase protection risks.

Descriptive indicators can be socio-economic (e.g. income, expenditure, assets, employment), socio-demographic including status-based (e.g. IDPs or single-headed households), or behavioural, physiological or other outcome-based indicators (e.g. not attending school, malnourished or homeless). In the latter case, the relationship between the problem and cause should be explicit, e.g. vulnerable families with moderately malnourished children as a result of an inability to purchase food in adequate quantity and quality.

**A good proxy indicator for socio-economic vulnerability is income or expenditure analysis.** When compared to thresholds such as the cost of the Minimum Expenditure Basket (MEB), minimum wage or poverty line, below-threshold earning or spending relative to need, can indicate high vulnerability.\(^{15}\) Expenditure analysis is used in sector-specific VAs, e.g. percent expenditure on food, and offers opportunities

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\(^{13}\) A proxy is an indirect measure or sign that approximates or represents a phenomenon (in this case economic vulnerability) in the absence of a direct measure or sign.


for convergence. Other proxy indicators of economic security include access to goods (assets such as material goods, land and livestock) and services (access to adequate water, where water supply is not a limiting factor).

VA should acknowledge that no proxy indicator is perfect. Recognise the potential for error when using indicators and try to mitigate it. This can be done through the combination of different methods of analysis and indicators, e.g. socio-demographic AND socio-economic, or through the process of targeting itself (see Part 3.1 Targeting).

Do No Harm/Do More Good

Engage a cross-section of the affected community, e.g. women and girls, people with disabilities and religious minorities, and the host population (if applicable) to inform VA.

Discuss the differences and overlaps between specific needs, protection risks and economic vulnerability with communities and with protection colleagues. Socio-economic vulnerability, particularly when combined with marginalisation, may contribute to protection risks, such as the recruitment of boys into armed groups or early marriage for girls.

People with specific protection risks should always be identified and assessed, as should the root cause of their risk. If MPGs are not appropriate or relevant for them, they should be referred to other assistance.

Ensure protection colleagues understand socio-economic vulnerability criteria and can broadly explain this to households requesting assistance, to avoid misunderstandings and inappropriate referrals.

Ensure that VA is continuous and can accommodate missed visits and ongoing referrals from protection actors.

EVERY MINUTE COUNTS!

Socio-economic vulnerability at its most basic is the gap between a high cost of living (expenditures) and the ability to earn enough income, i.e. households with increased numbers of dependents.

BOX 3. WELFARE AND POVERTY AMONG SYRIAN REFUGEES IN LEBANON AND JORDAN

Socio-economic analysis is common in development settings to target safety nets programmes. Common approaches include proxy-means-test or testing the statistical relationship between easily observable or verifiable indicators and more complicated indicators such as expenditures or income. Exploiting the significant amounts of data available from Syrian refugees in Jordan and Lebanon, UNHCR and the World Bank identified that the while income and expenditures could be accurately predicted by looking at a household’s size and living conditions. Other indicators included dependency ratios, migration and settlement patterns, and assets. The results can then be used to determine eligibility through a score card approach, or even to verify community-based targeting results.

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RESOURCES

Appropriate, Achievable and Acceptable (ODI)

Measuring Poverty: The use of expenditures analysis (World Bank)

Targeting food assistance to the economically vulnerable: see the Comprehensive Food Security and Vulnerability Assessment (CFSVA) guidance (p. 307–310) or the Emergency Food Security Assessment guidance (p.207–208) and CARI Guidance (WFP)

Household economy analysis: The Practitioner’s Guide to the Household Economy Approach, Chapter 4 (Outcome Analysis) (FEG/Save the Children)

Targeting Food Assistance in Complex Emergencies Programme Guidance Notes (WFP/Tufts)

Vulnerability and Capacity Assessment tools (IFRC)

Participatory Assessment Tools for Emergency Situations (Mercy Corps)

CERTI PLA Rapid Assessment Procedures for IDPs and Refugees

Participatory Vulnerability and Capacity Assessment (Oxfam)

Guide for Protection in CBIs (UNHCR) p.8-9

Participatory Vulnerability Analysis (ActionAid)

Participatory Assessment Tool (UNHCR)

On profiling questionnaires: Cash-Based Programming for Out-of-Camp Syrian Refugees in Southern Turkey: An Analysis of DRC’s Profiling Questionnaire and Assessment Methodology (DRC/Tufts)