Glossary

This glossary provides definitions for commonly used terminology in the EMMA toolkit. These definitions are based upon widely accepted definitions in work related to economic development, microfinance, enterprise development, livelihoods, market development, agriculture, and food security. Definitions are adapted from various sources, including the following:

- *Implementing Cash-based Interventions: A Guideline for Aid Workers* (ACF International Network, 2007);
- *The Practitioners' Guide to the Household Economy Approach* (FEG Consulting and Save the Children, 2008);
- *Women, Girls, Boys and Men: Different Needs – Equal Opportunities. IASC Gender Handbook in Humanitarian Action* (Inter-Agency Standing Committee, 2006);
- *Minimum Standards for Economic Recovery After Crisis* (SEEP Network, 2009).

Acceptable price rise. Price increases are often inevitable in an emergency situation – and do not necessarily indicate uncompetitive behaviour or poor conduct by market actors. Price rises are acceptable when they reflect genuinely higher costs or risks incurred by producers or traders. *See also* 'inflation'.

Access to markets. A measure of how many people (e.g. what proportion of a target population) can both afford to buy, and physically reach, a reliable supplier of a particular food stuff, non-food item, or service. The concept of access can also be applied to sellers, producers or labour in an income market system.

Aggregate demand/supply. The comprehensive total value of goods or services in a particular market. If not specified, it often refers to the national market.

Appropriate imprecision. An active strategy in data analysis to avoid spurious or unnecessary precision, being satisfied instead with adequate approximations and rough estimates. It means not spending so much time trying to achieve precision on one issue that you neglect others. It also means avoiding false precision – for example, giving a result as 23.7 per cent, when in reality we can only be sure that the answer is 'about a quarter'.

Asset protection. Most often refers to actions to help affected populations to avoid the sale or consumption of important natural or household assets. As well as cash transfers or relief distributions, asset protection may include activities to physically protect natural and household assets; to ensure access to communal assets; or to ensure that people's assets are not threatened by local laws or cultural norms.

Availability. A measure of the quantity (volume) of goods, food, or non-food items existing in a market system that can be mobilized to meet the needs of a target population within a particular time-frame. Availability is determined by considering production, imports, and stocks, along with the lead-times required to move these to where they are needed.

Barriers to entry. Obstacles in the path of any enterprise, producer, trader, or other market actor that make it difficult to fairly enter, engage in, or do business in a given market system. Barriers may include non-recoverable (sunk) investment costs, restrictive rules, regulations or trading practices, uncompetitive (predatory) pricing, intellectual-property rules, economies of scale, and customer loyalty to existing businesses.

Baseline. A measurement, calculation, or situation analysis that is used as a basis for comparison with the current or future situation. In EMMA, the baseline market map aims to represent a hypothetical 'what if the crisis had not occurred' situation, against which the impact of the emergency can be compared.

Bottleneck. Any effective constraint on the maximum speed or quantity of a production or trading activity – especially one which reduces the performance of the overall market system.

Business linkages (also known as 'market linkages'). Linkages refer to the trading relationships between and among producers, traders, and other enterprises in a supply chain or value chain.

Business services (also known as 'business development services', or BDS). The wide array of non-financial services that producers, traders, and other enterprises need in order to enter a market, survive, produce, compete, and grow. Examples include advice on planning, accountancy, bookkeeping, legal issues, marketing, product development, input supply, and equipment sale or leasing, as well as training for specific trades and providing access to improved technologies.

Cartel. A group of enterprises or traders who attempt to limit competition and control prices or the supply of a good or service through mutual restraint on production or supply, or simply by colluding to fix prices. *See also* 'oligopoly'.

Cash-based initiative. A general term for any type of humanitarian response involving the provision of cash or tokens (e.g. vouchers) to an emergency-affected population. Includes cash grants, cash-for-work, conditional cash transfers, repatriation and demobilization grants, and voucher programmes.

Cash grant/cash transfer. Provision of money to targeted households or persons, given without any requirement to work. Can be given as emergency relief, for support to livelihood recovery, or as a social safety net. *See also* 'conditional cash grant'.

Cash for work. Provision of temporary paid employment to targeted households or persons. As with grants, cash for work can be provided as emergency relief, in support of livelihood recovery, or as a social safety net.

Competition. Competition arises when there are a sufficient number of traders (sellers or buyers) vying with each other for business in a market, such that no single individual or enterprise dominates the market (*See* 'monopoly' and 'market power'). When there is effective competition, no-one can unfairly set the price of a good or service. This usually brings lower prices or better quality for consumers, or higher returns for producers and employees. Truly competitive markets also depend on traders being unable to collude among themselves to enforce a set price for goods *See* 'cartel'.

Competitiveness. This is a completely different concept from competition. It refers to the ability and performance of an individual enterprise (or an entire value chain) to out-sell and supply goods and/or services, compared with rivals in a given market.

Complex emergencies. A humanitarian crisis where there is total or considerable breakdown of authority resulting from internal or external conflict, and which requires an international response that goes beyond the mandate or capacity of any single agency or the on-going United Nations country programme.

Conditional cash transfer/grant. A cash grant whereby the recipient has to fulfil certain conditions, e.g. send children to school, plant seeds, build foundations for a house, demobilize.

Conduct (of market actors). The patterns of behaviour that traders and other market participants adopt to affect or adjust to the markets in which they sell or buy. These include price-setting behaviour, and buying and selling practices.

Connectedness. Describes the extent to which short-term emergency responses are planned and carried out in a way that takes into account the longer-term responses (reconstruction and development). The concept refers strictly to humanitarian contexts where true sustainability may not be possible.

Coping mechanism/strategy. When people's normal livelihood patterns or sources of income are disrupted by a crisis, the ways in which they change their economic behaviour are called their coping mechanisms (or coping strategies). Coping mechanisms are not used every year, but are the adaptation to a specific problem – e.g. reducing non-essential expenditure, eating wild foods, or adopting new ways of earning income. The concept applies equally well to households and other market actors such as producers, shop keepers, vendors, and traders. *See also* 'negative coping strategy'.

Corruption. The abuse of entrusted power for private gain, including financial corruption, such as fraud, bribery, and kick-backs. It also includes non-financial benefits such as the manipulation or diversion of humanitarian assistance to benefit non-target groups, or the allocation of relief resources in exchange for favours.

Cost-effective. Economical in terms of the ratio of tangible benefits achieved for money spent.

Critical market systems. The specific market systems that are most urgently relevant to the target population's emergency needs. Essentially those markets that had or could have a major role in ensuring survival or in protecting livelihoods of the target population.

Demand (also 'effective demand'). The amount (quantity) of a particular economic good, item, or service that a group of consumers (or buyers) will want to purchase at a given price. Consumers' (buyers') needs and desires must be accompanied by purchasing power (money) to be considered effective in the analysis of demand. Where lack of money is a significant constraint for the target population, the immediate result of cash-based initiatives is usually to increase effective demand.

Distress strategy (or 'survival strategy'). A distress, or survival, strategy is a way in which people adapt their economic behaviour in order to survive, but at the cost of long-term negative impacts on themselves – usually because they have failed to cope. Examples would be selling one's last productive assets, or cutting down on essential expenditure such as health care or education.

Economic growth. Increase in the capacity of a country or an economic region to produce goods and services. It also refers to the increase in market value of the goods and services produced by an economy. It is usually calculated using inflation-adjusted figures, in order to discount the effect of inflation on the price of the goods and services produced.

Effective demand. See 'demand'

Elasticity of demand. A measure of how sensitive to price changes is the quantity demanded by buyers or consumers. Goods on which people cut back sharply when prices rise or incomes are reduced (e.g. luxury items) have 'elastic demand'. Those that they continue to need and buy (e.g. staple foods) are said to have 'inelastic demand'. Goods in critical market systems usually fall into the second category.

Elasticity of supply. A measure of how sensitive to prices is the quantity supplied by producers or traders. Goods that can easily be supplied in greater quantities if prices rise have 'elastic supply'. Those that are difficult to quickly produce or import in greater volumes are said to have 'inelastic supply'. In emergency situations, elasticities are often unpredictable, due to disruption of supply chains.

Embedded services. Many informally provided services are 'embedded' freely within other trading relationships; e.g. shop keepers may allow their customers to take goods and pay later; inputs suppliers may provide free agricultural advice; traders may provide customer feed-back to small producers. This can be an indicator of a healthy and well-functioning market system.

Emergency situation. A situation with exceptional and widespread threats to life, health, and basic subsistence which are beyond the coping capacity of individuals and the community.

Enabling environment. An environment of policies, regulations, norms, institutions, and overall economic governance which allows market systems to function and perform well *See* 'performance'.

Enterprise. Any entity engaged in an economic activity, irrespective of its legal form. This includes self-employed persons, family businesses, partnerships, and group businesses (associations, co-operatives, informal groups) that are regularly engaged in an economic activity.

Enterprise development. Activities or programmes supporting the start-up and growth of private-sector businesses.

E.V.I. Acronym for 'extremely vulnerable individual'; for example: disabled, elderly, or sick adults, young children, and those who are traumatized or mentally unfit.

Extraordinary market system. A market system that did not function on a large scale before the crisis, but might now play an important role in meeting emergency needs.

Facilitator. A project or individual that gives indirect support to the actors in market systems. Rather than delivering support directly, a facilitator orchestrates interventions that build local capacity for providing services and/or solutions to recurrent constraints. Preferably this is done through existing business-service providers in the private sector.

Financial services. The wide array of formal and informal services used by households, producers, traders, and other enterprises in a market system. This includes savings, loans, insurance, remittances, and leasing services.

Formal sector/economy. This refers to enterprises and businesses that are licensed or registered, regulated, and (usually) taxed by the government *See* 'informal sector/ economy' in contrast.

Gender. Gender refers to the social differences between females and males that are learned and (though deeply rooted in every culture) are changeable over time. Gender differences have wide variations both within and between cultures. Along with class and race, they determine the roles, power, and resources of females and males in any society.

Gender analysis. Analysis that examines the relationships between females and males and their access to and control of resources, their roles, and the constraints that they face relative to each other. Gender analysis should be integrated into humanitarian needs assessments and all sector assessments or situational analyses, to ensure that gender-based injustices and inequalities are not exacerbated by humanitarian interventions, and that where possible greater equality and justice in gender relations are promoted.

Gender mainstreaming. A strategy for ensuring that women's as well as men's concerns and experiences are an integral dimension of the design, implementation, monitoring, and evaluation of legislation, policies, and programmes in all political, economic, and societal spheres. It is the process of assessing the implications for women and men of any planned action in all areas and at all levels, so that women and men benefit equally, and inequality is not perpetuated.

Group assets. Assets owned formally or informally by a group of individuals engaged together in a business or livelihood activity. Examples of typical group-managed assets include irrigation systems, agricultural machinery, packaging equipment, warehouses, and generators. Group asset transfers tend to be larger in scale (value and size) than individual asset transfers, thus additional attention prior to transfer must be given to evaluating local market impact and implications.

Household. A group of people, often family-related, each with different abilities and needs, who live together most of the time, contribute to a common economy, and share the food, essential resources, and other income generated by it.

Household economy. The sum of ways in which a household acquires its income, its savings, and asset holdings, and by which it meets its needs for food and non-food items.

Import parity price. A local price which is equivalent to the international market price for a commodity, but converted into local currency, plus in addition any transport, tariff, and other costs that the buyer would bear if importing.

Income (output) market system. In EMMA, this refers to market systems that provide sources of income for a target population, through sale of produce, labour, or other outputs. Sometimes also called 'output' markets. This distinguishes them from supplier (input) market systems which are a source of food, items, or services for a target population.

Indirect humanitarian responses. Humanitarian actions directed at traders, officials, policy makers, etc. which lead indirectly to benefits for the ultimate target population. For example: rehabilitation of key infrastructure or transport links; grants for local businesses to restore stocks or rehabilitate premises; technical expertise to local businesses or service providers.

Inflation. A persistent increase in the average price level in the economy. Inflation occurs when prices in general increase over time. This does not mean that all prices necessarily increase, or increase at the same rate, but only that average prices follow an upward trend. Price rises can be caused by emergency-related factors, but they may also be an underlying feature of an inflationary economy.

Inflation-adjusted prices. When prices are compared over time – for example, between baseline and emergency-affected situations – past prices may be adjusted by an inflation factor, to enable a more realistic comparison. This is necessary when inflation is an underlying feature of the economy. In hyper-inflationary economies, it may be necessary to convert local prices into equivalent prices in a stable international currency, in order to do realistic analyses of changes.

Informal sector/economy. The informal sector or economy refers to work that is not regulated or taxed by the government. In most countries it covers a multiplicity of activities and actors, including the self-employed, paid workers in informal enterprises, unpaid workers in family businesses, casual workers without fixed employers, and sub-contracted workers linked to formal or informal enterprises. *See* 'formal sector / economy'.

Institution. An established rule, norm, or way of doing something that is widely accepted throughout society. Institutions provide the rules and guidelines needed to carry out the day-to-day activities of our lives; the crucial structure of a society; and the framework within which economic activity takes place.

Integrated market system. See 'market integration'

Iteration/iterative. An analytical process – starting with a rough approximation and using the results of each iterative step as inputs for the next step – in which the same action is essentially repeated until a sufficiently accurate final result is obtained.

Key analytical question. In EMMA investigations, market systems are usually selected because people have specific ideas or expectations about the operational value that EMMA will add. 'Key analytical questions' frame these ideas, and thus help EMMA teams to keep them in mind throughout the process.

Key informant. Any individual in a community or society whose knowledge is especially relevant for the purpose of the assessment.

Livelihood. A livelihood is a way of making a living. It comprises capabilities, skills, assets (including material and social resources), and activities that people put together to produce food, meet basic needs, earn income, or establish a means of living in any other way.

Livelihood groups. Groups of households with similar food, income sources, and livelihood assets who are subject to similar risks. Livelihood groups may correspond with a particular geographical area; or they may be defined by other factors such as wealth, ethnicity, and type.

Livelihood strategies. The strategies that people employ in order to utilize and transfer assets to produce income today and deal with problems tomorrow. These strategies change and adapt in response to various shocks, external influences, institutional norms and rules, and other factors.

Livelihood zones. Geographical areas within which people share broadly the same patterns of access to food and income, and have similar access to markets.

Margin. The difference between an enterprise's net sales and the (input) costs of goods and services used to achieve those sales.

Market. Any formal or informal structure (not necessarily a physical place) in which buyers and sellers exchange goods, labour, or services for cash or other goods. The word 'market' can simply mean the place in which goods or services are exchanged. However, in EMMA, markets are defined by forces of supply and demand, rather than geographical location e.g. 'imported cereals make up 40 per cent of the market'.

Market actors. All the different individuals and enterprises involved in buying and selling in a market system, including producers, suppliers, traders, processors, and consumers.

Market chain. General term for a supply chain or a value chain: a sequence of market actors who buy and sell a product or item as it moves from initial producer to final consumer.

Market conduct. See 'conduct'

Market development. Market-development programmes seek to help micro- and small enterprises to participate in, and benefit more from, the existing and potential markets in which they do business (including input and support markets, as well as final markets). The ultimate goal of market-development programmes is to stimulate sustainable economic growth that reduces poverty—primarily by ensuring that small-enterprise owners and their employees take part in growth and reap higher rewards.

Market integration. A market system is integrated when linkages between local, regional, and national market actors are working well. In an integrated market system, any imbalance of supply and demand in one area is compensated for by the relatively easy movement of goods from other nearby and regional markets.

Market power See also 'monopoly' and 'cartel'. The ability of an enterprise, trader, or other market actor to alter the price of a good or service without losing all their customers, suppliers, or employees to their competitors. In an ideal, perfectly competitive market, market actors would have no market power. However, in the real world, barriers to entry, entrenched gender and social relations, collusion, and other anti-competitive forms of conduct often enable some market actors to dominate price negotiations.

Market structure. In economics, market structure describes whether a market is essentially characterized by competition, or oligopoly, or monopoly. The degree of rivalry among buyers and sellers in a market – and hence its structure – is determined by relatively stable features such as the number and size distribution of market actors, the degree of differentiation between them, the availability of market information, and the nature of barriers to entry.

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.

Market-system analysis. The process of assessing and understanding the key features and characteristics of a market system so that predictions can be made about how prices, availability, and access will develop in future; and (in the case of EMMA) decisions made about whether or how to intervene to improve humanitarian outcomes.

Market-system support. For the purposes of the EMMA toolkit, market-system support means any intervention or action aimed at improving the performance of a critical market system, other than direct assistance (cash-based or in-kind) provided to the target population.

Micro-enterprise. A very small enterprise, including small farms, having fewer than five or ten workers (definitions vary), including the micro-entrepreneur and any unpaid family workers. Usually assumed to be owned and operated by poor people in the informal sector.

Microfinance. The provision of financial services adapted to the needs of poor people, such as micro-entrepreneurs. Especially includes the provision of small loans, the acceptance of small savings deposits, and provision of payments services needed by micro-entrepreneurs and other people who may lack access to mainstream financial services.

Monopoly. A situation in which a single market actor controls all (or nearly all of) the market for a given type of product or service. This is an extreme form of market power. It can arise because of barriers which prevent other rival traders competing: e.g. high entry costs, government regulation, or coercion and/or corruption. *See also* 'oligopoly'.

Negative coping strategy (also known as 'distress strategy'). If coping strategies have long-term negative consequences, then people have failed to cope and are adopting 'distress strategies'. Common examples include reducing daily food intake and reducing household expenditures on medical care and education.

Oligopoly. A situation in which a small number of market actors controls all (or nearly all of) the market for a given type of product or service. This is a less extreme form of market power than monopoly. However, oligopolies can lead to monopoly-like situations if those few traders collude to set prices, rather than competing against each other.

Optimal ignorance. An active strategy in EMMA fieldwork to disregard non-essential or unnecessary detail. It means focusing attention on the most relevant elements of the market system: those that influence access and availability for the target population. This strategy requires continuous reflection on the degree to which the information being gathered is relevant to the key analytical questions.

Performance (of a market system). The extent to which a market system produced outcomes that are considered good or preferred by society. In EMMA, 'market performance' refers to how well the market system fulfils its role in meeting humanitarian objectives. Measures of performance include availability and quality of goods sold, their price levels and price stability in the short and long term, access for the target population, profit levels and long-term viability of market actors.

Price fixing. A situation where an individual market actor, or a group acting in collusion, is able to use their market power to push the price for a commodity or service above (or below) the price which would naturally emerge if there was freer competition between rivals.

Priority needs. Food, materials, and services that are required by a target population to achieve Sphere minimum standards in disaster response, and other essential items that women and men identify in early emergency needs assessments.

Producer groups. Individuals engaged in producing similar products who are organized to achieve economies of scale, and production or marketing efficiencies.

Purchasing power. The financial capability of a consumer or household to buy an item, commodity, or service. Increasing or restoring people's purchasing power is the main immediate objective of direct cash-based initiatives.

Reference period. A defined period to which the baseline information refers. In EMMA, the baseline reference period should be relevant to the timing or season of the emergency and planned response. For example, if planning food responses during the next three-month growing season, the best baseline reference period may be the same three-month season last year.

Remittances. The earnings sent by migrants to their relatives in countries or communities of origin. In many communities, remittances constitute a significant and critical source of income at both local and national levels.

Responsive (functioning) market system. A market system that will respond well to higher effective demand by increasing supplies without excessive accompanying increases in prices.

Seasonal calendar. A graphical presentation of the months in which cultivation of food and cash crops, and other production or earning activities, take place. Seasonal calendars can show when food and other inputs are purchased, and key seasonal periods such as the rains, and periods of peak illness and hunger. They can be used to highlight other seasonal variations in market systems, such as changes in road access, costs of transport, and demand for casual labour.

Shock. Sudden, irregular events that significantly affect a household's or enterprise's ability to generate income by regular means. At the level of an economy or market, a shock is an event that disrupts established trading patterns and trends.

Social protection. Policies and plans that reduce economic and social vulnerability of poor and marginalized groups through transfer of food, cash, and other benefits.

Stocks. The stores or stockpiles of food or other items that are held by different market actors along a supply chain or value chain. *See* 'availability'.

Sub-sector. In enterprise development, a sub-sector is defined as all the enterprises and other market actors that buy and sell from each other in order to supply a particular set of products or services to final consumers *See* 'value chains'.

Subsidized sales. A market-support action in which traders or service providers receive a grant (e.g. to cover transportation costs, or re-stocking) on condition that they reduce their selling prices by an appropriate amount. It is appropriate only when prices are too high but there is no evidence that this is due to abuse of market power.

Supply chain. The sequence of market actors who buy and sell a commodity, product, or item as it moves from initial producers via processors and traders to final consumers. In EMMA, the term 'supply chain' is used particularly when the final consumers are the target population for humanitarian assistance. *See* 'value chain' in contrast.

Supply (input) market system. In EMMA, this refers to market systems which supply food, essential items, assets, or other inputs to a target population. Sometimes also called 'input' markets. This distinguishes them from income (output) market systems, which are a source of income for a target population.

Sustainability. A measure of whether an activity or intervention, and its longer-term impact, will continue after external funding has been withdrawn. It implies that local capacity to address recurring constraints exists or will be developed.

Target population. The mass of emergency-affected women, men, and children who it is intended should ultimately benefit from the emergency response. Usually, these are the most vulnerable or severely affected individuals and households in a disaster area. Often the target population is disaggregated into more clearly defined target groups with different situations and needs. Note: indirect humanitarian responses may involve assistance to market actors who are not part of the target population.

Trade volume. The volume (quantity) of food, goods, or items being produced or traded at a particular point in a market system. EMMA refers to estimates of 'production and trade' volumes, so as to include in the overall picture food or other goods that are produced for own consumption, but not traded.

Value chain. The sequence of market actors who buy and sell a commodity, product, or item as it moves from initial producers via processors, traders, and distributors to final consumers. In EMMA, the term 'value chain' is used particularly when the target population for humanitarian assistance are the producers or workers. *See* 'supply chain' in contrast.

Value-chain analysis. A type of market-system analysis which focuses on the dynamics of linkages within a productive sector, especially the way in which firms and countries are globally integrated. It includes a description of actors in the value chain and an analysis of constraints along the chain. It also considers dynamics (trends over time), and it does not limit itself to national boundaries.

Voucher. Vouchers are tokens or coupons issued by an agency or government which can be exchanged for a fixed set of goods, or goods up to a fixed sum of money, at certain shops or by certain traders. The agency which issued the vouchers then takes the vouchers handed back by the shops or traders in exchange for an agreed sum of money. They may be valid for several months, or only a particular market day ('fair').

Wealth group. A group of households within the same community who share similar capacities to exploit the different food and income options within a particular livelihood zone. These capacities determine a 'wealth status', indicated by measures such as, for example, whether the household's children go to school; whether the household can afford medical care; the size of their land; and whether or not they own livestock.