



No. 3.1 Cash Transfer Programmes: Cash for Work

What is cash for work?

Cash for work is the payment of cash wages in exchange of work that is done either on household-level projects, or on public works or community-level schemes.

The **main objective is to increase people's purchasing power** to both enable access to immediate food and non-food needs and/or to recover livelihoods during an emergency.

The secondary objective is to **create community or individual assets** and build local capacity by enhancing skill-sets. These assets ideally should improve the livelihoods or public health environment of the community as a whole.

Cash for work programmes are designed to **provide employment opportunities** for largely unskilled labour and be designed around existing skills and capacities of affected communities. Usually these are labour intensive in nature to ensure high rates of participation, but cash for work programmes can

be designed to suit the specific capacities of elderly people, pregnant women or physically-challenged individuals. Where possible, activities are defined, prioritised and implemented by affected communities themselves and are designed to benefit the wider community.

Table 1 lists some advantages and disadvantages of this kind of humanitarian response.



Fig. 1: Cash for work: irrigation channel cleaning, Sri Lanka (Credit: Howard Davies/OXFAM)

When should cash for work programmes be implemented?

Box 1: Cash for work: a rough checklist

- ✓ Possible implementing partners identified
- ✓ Communities sensitised and committees established
- ✓ Selection criteria and community-based target set
- ✓ Communities and work opportunities identified
- ✓ Working units, wages and total work days calculated
- ✓ Monitoring system with specific, relevant and time-bound indicators developed
- ✓ Attendance system established and reconciled
- ✓ Cash disbursement frequency and methodology defined, logistics and security system in place
- ✓ Technical support and supervision for public works ensured, where appropriate
- ✓ Markets monitored to ensure match between wages and any food price fluctuations
- ✓ Appropriate programme and partner staff supplied

Cash for work programmes can be appropriate to various humanitarian contexts and response phases. In the **acute phase**, they can be used for quick action and to meet immediate needs (e.g., during post-flood/earthquake clean-up). **During recovery**, cash for work can revive the local economy and livelihoods (e.g., road reconstruction).

In **chronic emergencies**, cash for work can be orientated towards preparedness as well as humanitarian response work, but since they try to achieve different objectives, they are also based upon different principles. Cash for work can also be used as a **social safety net component** (e.g., allocation of x paid working days per month) as a **preparedness measure** in chronic or slow onset crises.

Table 1: Advantages and disadvantages or challenges of implementing cash for work programmes

Advantages	Disadvantages/challenges
<ul style="list-style-type: none"> • People have choice and flexibility to prioritise their own needs • Stimulates markets and livelihood recovery • Can encourage self-targeting when payments are set below the local average wages <i>(N.B. Various factors, such as other agencies' and Government payments, and basic living costs, need consideration when setting wages)</i> 	<ul style="list-style-type: none"> • Possible inflation of local food prices • Can require high administrative costs and resources • Can take time to set up, so can be slower than cash grants in the first stage of a rapid onset response

However, **various criteria must be present for the programme to be appropriate and/or viable**, including:

- Food/income insecurity is the result of loss of employment or assets i.e., food and other basic items are available and markets are functioning;
- The risk of inflationary pressure is low;
- Cash for work does not interfere with markets or undermine other livelihood activities or local market wages, and takes into account livelihood seasonality (harvests, etc.);
- Security and access to area of intervention is ensured;
- Opportunities exist for asset creation or rehabilitation of community infrastructures; and,
- Capacity exists for working through community organisations in accountable and transparent ways.

Projects should incorporate the following principles:

- Those targeted are the most food-insecure and the most in need;
- The work is labour intensive to impact as large a number of the affected population possible;
- Physically vulnerable people who cannot normally work (children, elderly, HIV-positive sick people, etc.) should be included or supported (e.g., cash grants, appropriate activities);
- Gender balance and activities suiting women's socio-cultural and physical capacities are sought; and,
- The community chooses, owns and is accountable for the projects.

What are the outputs or outcomes of cash for work programmes?

There are various outcomes of cash for work projects, including:

- Labourers create an income that covers families' immediate food needs;
- Purchasing power of households is increased, and is more stable due to income;
- Local economy and markets are stabilised and supported;
- The community creates community assets, with ownership; and,
- Employment can contribute to healing post-disaster psychosocial traumas.

How long should the programme be?

If input-orientated, the duration of cash for work programmes simply involves the time taken to provide financial support to cover immediate needs and asset recovery. If output orientated, cash for work programmes will last until the lean or critical season is over, the affected people are able to cover their minimum needs, and/or normal livelihoods are stable or recovered.

How do cash for work interventions link to other humanitarian programmes?

Cash for work activities can be orientated towards achieving other humanitarian outcomes, such as PHE (public health engineering), PHP (public health promotion) and shelter. For instance:

- PHE—cash for clearing of debris after a disaster, establishing and maintaining waste management systems or rehabilitating water and sanitation systems.
- PHP—cash for training community mobilisers and educators, and transferring skills.
- Shelter—cash for temporary shelter construction.

Where can I find further reading and more detailed information?

Oxfam EFSL Rough Guides: – 1.1 EFSL Assessments – 1.3 Response Analysis	Oxfam Skills and Practice. <i>Cash-transfer Programming in Emergencies: A practical guide</i> (Creti and Jaspers 2006) http://publications.oxfam.org.uk/oxfam/intranet/add_info_024.asp
ODI Resource Library—Cash and Vouchers in Emergencies www.odi.org.uk/hpg	The Sphere Project 2010 (<i>forthcoming</i>). <i>Humanitarian Charter and Minimum Standards in Disaster Response</i> : www.sphereproject.org

Who can I contact for more information and guidance?

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