

When Cash for Work Works



- **Cash for Work as Risk Transfer?**
- **Why Cash for Work?**
- **Cash for Skills Builds Alternative Livelihoods**
- **More than Money: Restoring Dignity through Cash for Work**
- **How AIDMI Responded to the Challenges of Cash for Work**
- **Examples of Successful Cash for Work Programmes: Stories from the Field**

An Effort to Turn Local Tsunami Recovery into Regional Disaster Risk Reduction for the Poor



southasiadisasters.net



For Personal and Educational Purpose only

Issue: 10

December 26, 2006

Editorial Advisors:

- Dr. Ian Davis
Cranfield University, UK
- Kala Peiris De Costa
Siyath Foundation, Sri Lanka
- Khurshid Alam
International Tsunami Programme
ActionAid International, Dhaka
- Madhavi Malalgoda Ariyabandu
Intermediate Technology Development
Group (ITDG) - South Asia, Sri Lanka
- Mihir R. Bhatt
All India Disaster Mitigation Institute, India
- Dr. Rita Schneider - Sliwa
Basel University, Switzerland
- Dr. Satchit Balsari, MD, MPH
The University Hospital of Columbia and
Cornell, New York

In this issue

1. Cash for Work as Risk Transfer?	1
2. Cash and Work	2
3. Why Cash for Work? And How to Implement?	4
4. Cash for Skills Builds Alternative Livelihoods	7
5. More than Money: Restoring Dignity through Cash for Work	8
6. How AIDMI Responded to the Challenges of Cash for Work	9
7. Application of the Red Cross Code of Conduct in the Cash for Work Programme	11
8. Examples of Successful Cash for Work Programmes: Stories from the Field	13
9. Lessons for the Future...	16

Cash for Work as Risk Transfer?

The Indian Ocean Tsunami was an unprecedented disaster. It is recognised that in terms of the extent of damage and scale of the areas affected, the disaster was unparalleled by any other occurrence in recent memory. Yet in terms of response, it was also unmatched. As an action learning organisation, AIDMI responded to this unique event, seeing it as an opportunity to apply innovative initiatives in the context of international development and humanitarian action.

AIDMI's approach to disaster relief provision has always been community based with an emphasis on long-term risk reduction, and the Cash for Work programme after reflects this commitment. The Tsunami saw the implementation of cash-based programmes on a large scale by a number of agencies, which illustrates a fundamental ideological shift. Traditionally, relief has been top-down and in-kind in nature. However, the current trend appears to be slowly moving towards bottom-up, demand based relief. Cash for Work is an example of this paradigm shift which is occurring, with the affected being recognised now not as hopeless victims, but as capable individuals able to play an active role in their recovery including managing cash. It is non-patronising, recognising that relief should allow individuals to address their household needs as they see fit. Above all, this is achieved through the vital restoration of human dignity by moving away from handouts towards gaining purchasing power.

Although Cash for Work is a short-term measure designed to kick-start household and local economies after disaster, it also addresses long-term sustainable development issues. For example, linking Cash for Work with the Alternative Livelihoods Programme, AIDMI encourage the acquisition and transfer of skills for long-term reduction in vulnerability. Through this approach, relief and mitigation measures are addressed simultaneously, Cash for Work capitalises

at the grassroots, and stimulates economic recovery at the local level. These two are some of the most difficult achievements for most humanitarian agencies, and the foundations of sustainable risk reduction through the application of the tools of microfinance are laid.



Building on local capacities leads to sustainable recovery.

Relief and risk mitigation are never static undertakings. Activities and programmes are ever evolving, and as an action-learning organisation, AIDMI is constantly responding to challenges and identifying new ways to adapt and improve innovations. Using cash transfers as a means of risk transfer and long-term reduction is just one way, and just the beginning of exploring the potential of Cash for Work programmes as a means of disaster risk mitigation. ■

Mihir R. Bhatt

Cash and Work

Today there is a growing recognition of the benefits and use of a combination of cash and work for disaster recovery. This has led to a corresponding increase in the number of organisations implementing Cash for Work programmes as part of their relief and response activities in post disaster environments. By sharing experiences of Cash for Work projects being undertaken in a variety of countries and situations, and increasingly in post disaster contexts, the potential of Cash for Work is now being realised, explored and applied with great success. Cash for Work is of critical importance because, as has been noted, "the humanitarian transition must be marked by an emphatic shift from kindness 'in-kind', to opportunities 'in-cash'".¹ Cash for Work fulfils precisely this humanitarian imperative.

What does the Cash for Work Programme entail?

Cash for Work programmes provide a cash wage to participants in return for work undertaken in recovery activities. Before the implementation of Cash for Work programmes in disaster affected areas, relief work was undertaken by the community on a voluntary basis, often in conjunction with agency field workers. The community were not paid for this work. Cash for Work, however is different; It represents an innovative approach to disaster relief. This is because under Cash for Work schemes for the same work, which was previously conducted only on a voluntary basis, the community are given monetary compensation to aid their recovery. Such cash in hand builds their purchasing power and ability to select items most needed, when available in local markets. Individuals rational economic behaviour is recognised even after a disaster situation.

What makes Cash for Work Programmes different from other relief activities?



All photographs in this issue: AIDMI

One of the most significant and original lessons that has come out of AIDMI's experience is the realisation that it is their recovery, not ours. Let us support their efforts and not ignore or replace their capacities.

Cash-based programmes are innovative because they differ from 'traditional' or 'conventional' approaches to disaster relief which provide disaster victims with 'in-kind' relief, such as food relief schemes. Instead of receiving food aid for example, participants earn a daily cash wage. This can then be used to maintain and improve food security. They buy what they want and when they want from local markets. Earning a cash wage allows participants to spend money in the most appropriate manner for their particular circumstances and according to their individual needs, whether this be for food, household items, child education or healthcare.

Is Cash for Work A Microcredit programme?

The simple answer to this question is no. Cash for Work programmes are merely a means to provide disaster victims with the opportunity to again earn a daily wage in exchange for the relief work that the community has conducted, an opportunity denied to them by disaster. Importantly, credit is not extended to the participants, and it is not expected that wages be repaid at any point in the future since they are payment received for the provision of labour services and the completion of work. In other words, they become paid workers for the duration of the Cash for Work programme. Recent

growing interest in microcredit as an engine of recovery often mixes Cash for Work with microcredit. Results so far are, mixed and uneven. It is still too early to determine how successful this strategy is.

How is AIDMI's Cash for Work Programme Different?

AIDMI's Cash for Work Programme is community based, from conception through to design, execution, and monitoring. Using a community based participatory approach, the community decides on all aspects of programme design and implementation. The community are conceptualised as valued actors and decision markers. The community designs and administers the activities involved in the Cash for Work programme, from planning the work to be undertaken, to beneficiary selection, wage determination, record-keeping and supervision – everything is the responsibility of the community. AIDMI ensures that systems, flow of resources, inclusion of all needy, and reporting are carried out. This ensures that the programme and beneficiary targeting is effective, and is culturally sensitive to any given circumstance. Following such processes ensures that participants have a sense of ownership over the programme and any assets created by it. However, this is not easily achievable, but is nonetheless possible. ■

1 (Minister of Rural Reconstruction and Development, Transitional Afghan Government, 2004)

Why Cash for Work? And How to Implement?

The objectives of Cash for Work are mainly three fold;

- **Restoration of a degree of earning capacity to those whose livelihoods damaged or destroyed.**

The provision of a daily wage in return for work undertaken represents the first step towards restoring livelihood and economic activities. Where the means to execute one's regular livelihood have been damaged or destroyed by disaster, Cash for Work provides a degree of compensation which is not provided by traditional relief programmes, especially in terms of regularity, predictability, and manageability in a sustained way.

- **Repair and reconstruction of disaster damage.**

In the case of the Tsunami, damage and destruction were widespread and devastating. Cash for Work provides structured and organised reconstruction activities which contribute to the rehabilitation process through physical repair and rebuilding, and through emotional rehabilitation by removing visual reminders of disaster loss, as well as building visible signs of reconstruction and recovery.

- **Contribution towards achieving long term sustainable development.**

The provision of a daily wage in exchange for individuals' labour supply represents a move towards normalisation of life. Once again they are able to meet their daily needs and can begin to rebuild the resources required for sustainable rehabilitation and recovery. In general, the programme provides



Cash for Work can empower women if given the opportunity to decide, control and monitor community activities.

an opportunity to begin restoring livelihoods and, combined with programmes such as Alternative Livelihoods or microfinance, they are able to reduce vulnerability to future disasters.

Cost Effectiveness

One aspect of Cash for Work that has made it increasingly popular amongst funding agencies is the relative cost effectiveness of the programme compared with in-kind relief provision. The overhead costs of administration, operation, and distribution are much less than those associated with traditional programmes, since there is no transportation of relief stuffs and staffing costs are reduced. The time and monetary costs to the beneficiaries are also eliminated since they do not have to travel to distribution centres and spend time in queues, time which otherwise could be used for restoration of their livelihood activities. However, we know little about the real and opportunity cost to the victims who are not in the mainstream of cash economy.

Far Reaching Economic Benefits

The economic benefits of Cash for Work are not solely bestowed upon the beneficiaries. On a household level, the restoration of the capacity to earn a daily wage means that security needs can be met and other household requirements such as care for dependents or restarting livelihood activities can be catered for.

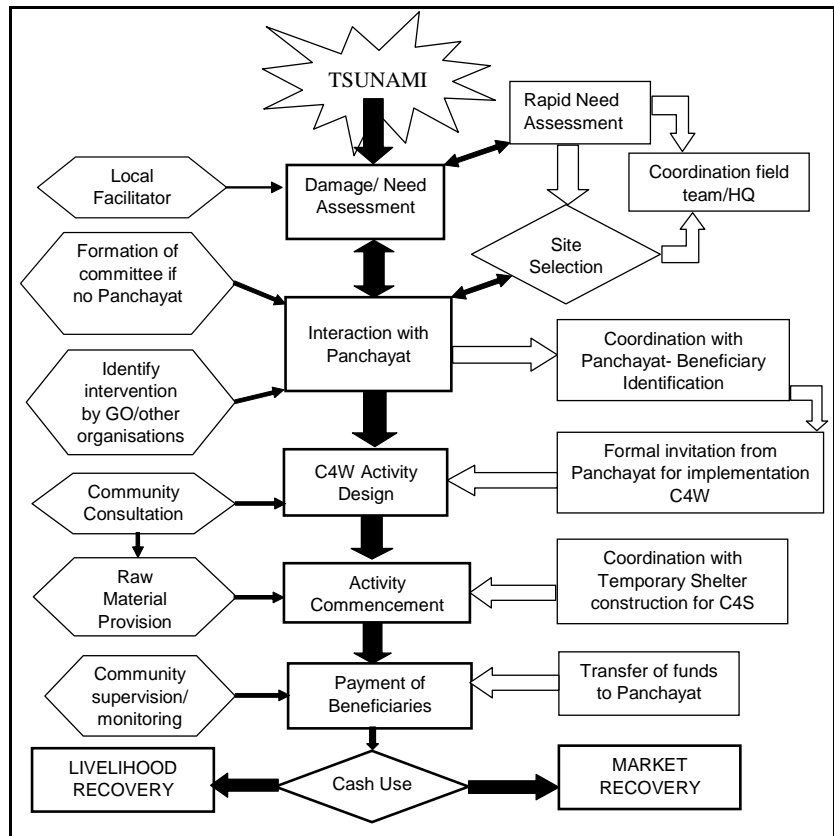
On a local economic level, there are tangible benefits in terms of growth. The increased purchasing power of households has a multiplier effect, as demand for products and services increases. The use of local materials in Cash for Work activities boosts demand in the regional economy, and demand translates into a regional multiplier effect on the macroeconomic level. Thus the indirect benefits felt by 'secondary beneficiaries' on a community and regional economic level are far reaching. However, we do not know what measures to take when the cash flows out of the affected local economy, for example when outside

contract labour is hired for relief activities. Further research is required to develop appropriate regulatory measures to combat this occurrence.

Market Restoration and Preservation

As well as restoring the operation of local markets through an increase in demand, Cash for Work preserves the functioning of markets immediately after disaster. There are no adverse effects on local markets, such as inflation, providing cash injections are not too great. However, prices of items such as construction material may rise due to a short-term, relief-induced increase in demand. Supply of goods in the local market adjusts to accommodate the increased demand. Since the cash wage provided is set below the local market rate, labour markets are not disrupted either. Providing programmes do not run too long, there is no disincentive effect for the reestablishment of original livelihood activities once conditions are permissible. This needs market oriented intervention which often humanitarian agencies or donors find difficult to design.

The receipt of a cash wage can also reduce the severity the cycle of debt/ credit which may be manifested as a result of disaster, thereby obstructing sustainable economic recovery and development. The use of local materials in reconstruction boosts



Process Map for Cash for Work Programme of AIDMI.

demand in the regional economy, and demand translates into a regional income multiplier effect.

Laying Foundations

The restoration of earning a daily wage until livelihood activities can be restarted provides a platform for livelihood recovery, and also helps to

lay a foundation for microfinance application. The link between the Cash for Work programme and the Alternative Livelihoods programme provides the ideal first step required for microfinance tools to be used. The skills learnt under Cash for Work and Alternative Livelihoods can be used to establish micro-enterprises and is a logical progression from community interaction and production is the formation of Self Help Groups. These groups become the vehicles for microcredit, and allow for the effective operation of revolving funds.

Cash for Work on the Process Map

Setting up and running a Cash for Work programme is not as simple as just work, and cash. There are a number of important processes involved, and a great deal of preparation and consultation to ensure that the programme works as smoothly and efficiently as possible, providing the maximum benefit to the community and optimum use of resources. AIDMI drew on its experiences and expertise



Cash for Work helps communities plan, re-plan and develop most innovative ideas based on local wisdom and know-how.

in disaster relief provision, community based action and activity, and assessment to develop a Cash for Work strategy in 15 affected villages.

Step 1: Damage and Need Assessment

When a disaster such as the Tsunami strikes, the first port of call is a damage and need assessment of the situation. The AIDMI team arrived in the Tsunami-affected villages on the 27th December and immediately carried a rapid need and damage assessment. Before this can be carried out, AIDMI introduces itself to the village authorities, and identifies local facilitators who can assist with the processes. AIDMI explains their community-based approach and commitment to long-term sustainable development in post-disaster recovery.

A rapid damage and need assessment is carried out by the experienced field team in cooperation with community members. The team are in constant contact with head office in Ahmedabad at every stage of programme development and implementation. The sites in which AIDMI will work are selected in coordination with the Panchayat or relevant authorities in that location.

Step 2: Interaction with Panchayat for programme design

After initial introduction to the village Panchayat, detailed consultations and extensive interactions begin. Where there is no existing Panchayat, a representative committee is formed from a cross-section of village



Working together under Cash for Work helps women overcome disaster-related psycho-social problems.

members according to community decision. Their essential local knowledge enables the selection of beneficiaries for the programme according to certain criteria. The individuals have to be;

- Tsunami affected
- Resident in the community
- Having a low, unstable source of income and low savings capacity

Although the Panchayat establishes the criteria themselves, they are entirely in keeping with AIDMI's beneficiary profile for livelihood relief. In other words, they reflect and reinforce the focus on the victims who constitute the poorest of the poor. As such, only one member per household is permitted to participate. Simultaneously, interventions within the community by other organisations or government agencies are identified to ensure that overlap does not occur. Once the beneficiaries have been selected, the Panchayat issues a formal invitation to AIDMI for the commencement of the Cash for Work Programme in the village.

Step 3: Cash for Work Activity Design

Following a formal invitation from the Panchayat/ village committee, the programme design can begin. This is conducted by the community in consultation with the Panchayat/ village committee who decide what activities are to be carried out, which materials to use and in which locations this shall be conducted. The establishment of an appropriate wage for the remuneration of work undertaken is also set by the committee in cooperation with AIDMI, and is set according to local market rates.

The programme design is the responsibility of the community, as is beneficiary selection. AIDMI's role in the programme is that of facilitator, manager, and

organiser. AIDMI are also responsible for financing the activities, (including payment of wages) and providing the raw materials. All other responsibility for the programme lies with the community, which fosters a sense of ownership of the assets created.

Step 4: Activity Commencement

At last work can begin! The activities are organised, coordinated, supervised, and recorded by the community. Raw materials are provided from local sources as decided by the community, and work starts. Coordination with the temporary shelter construction programme takes place in order that beneficiaries are involved in work under Cash for Shelter where appropriate.

Step 5: Distribution of Cash Payments

The funds for the beneficiaries' wages are transferred to the Panchayat/ village committee for distribution on a daily basis. This process is regulated by the record keeping of daily activities and the number hours of work completed by every participant. In this way, the beneficiaries are accountable to the Panchayat/village committee, and they are reciprocally accountable to the beneficiaries for the prompt and fair distribution of wages.

Step 6: Expenditure

With cash in hand, beneficiaries are able to purchase whatever items are required by the household. This provision of choice means that relief of this kind is exactly tailor-made for each household since they decide what is most needed and appropriate.

Potential for Cash for Work - Where next?

Once recovery is sufficient to enable a resumption of normal livelihood activities, the Cash for Work activities will cease. However, this is by no means the end. Cash for Work is just the beginning for many beneficiaries who have acquired new skills, either through Cash for Work, or simultaneous Alternative Livelihood activities facilitated by AIDMI. ■

Cash for Skills Builds Alternative Livelihoods

Step 1: Activity Design

Consultation with the community enables the AIDMI team to discern what skills are possessed amongst members. Once this is established and members have volunteered their services or expressed a desire to learn, training can begin. It is community led, and facilitates the empowerment of women through enabling economic activity, and the creation of sustainable assets. Although the community decides what activities will be undertaken, AIDMI identifies and investigates the relevant market linkages and situations to establish the feasibility of the programme.



For many elderly Cash for Work was a new beginning and a means to restore their dignity at their pace and scale.

Step 2: Work Begins

After training is completed and the necessary raw materials are provided, production can begin. Typical Alternative Livelihoods activities are production of coir items, incense, and candle making.

Step 3: Accessing the Market

The finished products are then marketed and sold by the producers in locations identified by the community.

Step 4: Profiting from Production

The cash from these sales is then used

in a number of ways. For some, the cash is used to meet daily household needs. For others, it is reinvested into their new livelihood activities.

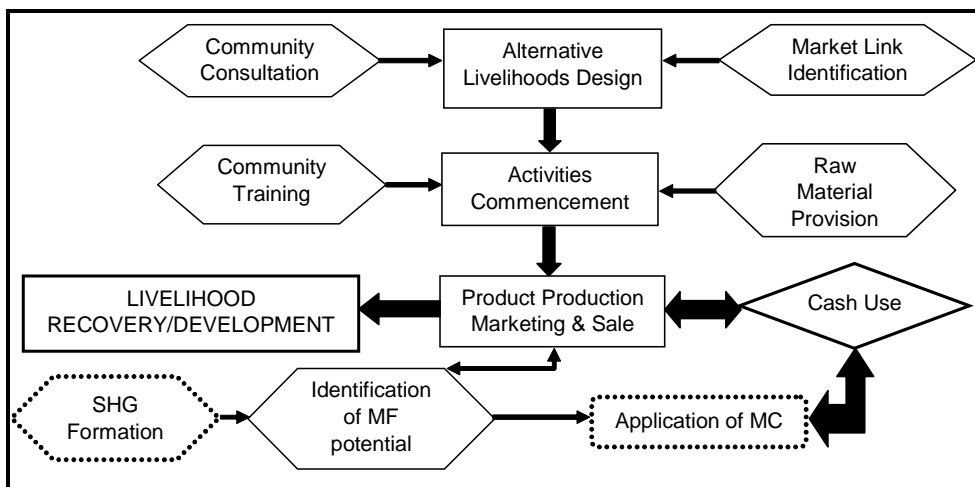
Step 5: Potential for Microfinance

The Alternative Livelihoods Programme represents the creation of a foundation for the application of

microfinance tools for further recovery and development. Group production can lead to the formation of a Self Help Group, although this is not essential for microfinance application. Once the potential for microfinance has been identified, enterprise development can begin. For example, a microcredit loan might be applied for, and used to

expand production or purchase equipment. Cash produced by sales can be reinvested, and used to repay the microcredit loan.

Whether microfinance tools are used or not, Alternative Livelihoods can lead to new livelihood development increased economic recovery, and an associated reduction in vulnerability. ■



Process Map for Alternative Livelihoods program of AIDMI.

More than Money: Restoring Dignity through Cash for Work

Proponents of Cash for Work programmes frequently extol the economic virtues of cash based initiatives, but what about other effects and benefits derived from such undertakings? In AIDMI's experience, it goes far beyond just cash...

The physical effects of the programme are the easiest to discern. Looking around the Tsunami affected villages it is clear to see that debris has been removed, roads have been repaired, temporary shelters erected, and community infrastructural assets have been created such as Community Resource

Centres and child education units. Yet from talking to beneficiaries, the wider reaching intangible and psychological effects of the programme become apparent.

Restoring Dignity

Perhaps one of the most important aspects of Cash for Work is the restoration of victims' dignity. Beneficiaries are able to take control of their recovery, and are not seen as helpless victims and passive receivers of aid, but rather as programme stakeholders with indigenous coping capacities who want the chance to actively participate in relief. Remuneration in cash allows beneficiaries to address their household requirements, and recognises them as responsible and rational economic actors. In this way, relief is absolutely tailored to each household, and eliminates the problem of inappropriateness or lateness of relief which is often an issue with food aid.



Our priorities are as straight as some of the coconut trees, grow (learn), stand in the sun (work), and recover through meaningful products such as coir making or handicraft products.

Empowering Women

A significant result of the programme is the empowerment of women. For many women, engaging in AIDMI's Cash for Work programme was their first opportunity to earn an income independently. It has given rise to a new-found confidence and the acquisition of new skills. The temporary work in which they were engaged allowed them to learn skills of damage assessment, record keeping, and management. They have now taken these skills and are applying them to new production activities, particularly through the Alternative Livelihoods programme.

A return to a sense of normality...

The provision of temporary employment gives rise to a sense of normality for people whose livelihoods were taken away since they can return to earning a wage. From this point, recovery and sustainable development

can become a reality. The constant contact and monitoring of progress done by AIDMI will enable them to work with the community in the future to achieve sustainable long-term development. The communication and negotiation skills imparted by AIDMI will also enable them to efficiently articulate their needs to the government and report their progress.

When planned and done with care it allows individuals to concentrate on positive aspects such as enhancing community infrastructure, rather on what they have lost in the disaster as a form of displacement therapy. The deeper integration of the community through the cooperation and teamwork required to repair and reconstruct has further empowered them, and there is a definite sense of pride and optimism amongst AIDMI beneficiaries in South India. ■

How AIDMI Responded to the Challenges of Cash for Work



Cash for Work became an important institution for families to celebrate each stage of completion of their temporary houses.

No programme is infallible. Every design has its limitations and drawbacks, but the challenge for organisations is to overcome these obstacles, learn from their experiences, and share them with others so that programmes can be enhanced in the future. As an action learning organisation, AIDMI identifies challenges that it has encountered, and evaluates the ways in which they responded in order to improve future programmes. Below are some of the common criticisms and misconceptions of Cash for Work, and how AIDMI responded to these challenges;

1. Cash based programmes result in inflation in local markets

A sudden injection of cash into an area that has been starved of income through the impact of a disaster, can alter the operation of local markets and inflate

prices through increased demand. However, there has been no such reported rise in commodity prices as a result of AIDMI's Cash for Work programme, and supply in local markets have adapted to any increases in demand. This is due in part to AIDMI's programme design. The relative size of the programme (1100 participants), and the fact that it was spread over 15 villages, minimised any adverse market effects in local markets. The establishing of the wage rate below the market rate also served to prevent inflationary effects. This also meant that the purchasing power of the wages is not affected, and the fact that inflation has not occurred has prevented the purchasing power of non-beneficiaries from being affected.

2. Cash based programmes do not accurately target the most in need and cause in-migration

The decision by AIDMI to allow the establishment of wage rates by the Panchayats according to local knowledge prevents these occurrences. They are set below the market rate in each village, ensuring that the selection of beneficiaries is self targeting, and prevents in-migration which disrupts the local labour markets. The remuneration rate is such that only people in need of the financing that the Cash for Work project offers benefit from the scheme.

Although this method, combined with selection by the Panchayat through their community knowledge, targets those in need, it does not always ensure that the most vulnerable are reached. There is still a danger that Cash for Work excludes the most marginalised and vulnerable since a prerequisite of participation is physical capability to work. This potentially excludes the elderly, disabled and infirm, although some were employed in a supervisory or record-keeping capacity by AIDMI Cash for Work activities. Therefore, alternative programmes such as Alternative Livelihoods should focus and adapt to the needs of these marginalised groups.

3. The programme produces disincentive effects

AIDMI have ensured that their Cash for Work programme creates neither dependency, nor disincentives to resume original livelihood activities. Through the provision of livelihood relief and Alternative Livelihoods training, beneficiaries are encouraged and supported in resuming/starting livelihood activities. The comparatively short duration of Cash for Work activities (until livelihood assets were replaced) ensures that dependency is not created.



When the daily wage losses are compensated on their doorsteps, victims can take care of their dependents such as children more easily.

4. Cash transfers will be used for antisocial purposes

Whilst this is a worry of many, it has been AIDMI's experience that in a disaster situation, the primary concern of beneficiaries is ensuring that their families can be fed and that daily needs can be met. This however, could become a possibility if programmes and cash transfers run too long. Another criticism of cash programmes as opposed to in-kind relief is that female beneficiaries may not retain the control of the cash that is earned. This has not proved to be a problem in Tamil Nadu and Pondicherry in AIDMI programmes. However, it has been reported as an issue in Sri Lanka and Afghanistan where instances of women earning a cash wage has led to situations of domestic violence. In some circumstances, Cash for Work programmes may be culturally inappropriate, and in-kind transfers may be more suitable for women. AIDMI ensured that all activities were appropriate according to local custom

and culture by making certain they were decided by the Panchayats.

5. Danger of Poor Work Quality

This is a particular problem since participants have diverse, and in some cases, no skills. The activities undertaken in AIDMI's programmes did not require specialised skills, and good community supervision ensured that work was carried out to an adequate standard. Some beneficiaries were able to learn new skills such as thatching and masonry, which reflects AIDMI's Alternative Livelihoods approach to relief.

6. Dangers of Cash transfer encouraging corruption

AIDMI have not encountered such a problem in implementing its programmes. Having established a good and honest relationship with the Panchayats, the levels of trust have been such that wage dispersal has been honest and equitable. However, AIDMI has had to rely on the

Key Questions for Agencies to Help them Design Cash for Work Programmes

- Is CfW in demand? What are communities affected by Tsunami are likely to spend cash on?
- How well are the local markets functioning? Can they accommodate customers' demands resulting from CfW?
- Is food for work a better option? Possibly when there is surplus of labour and shortage of food.
- What are the risks that CfW programme may cause? Inflation for example.
- What will be the implications of CfW on local economy vis à vis in kind alternatives?
- What types of accountability and transparency safeguards are available or required?
- Who should set wages and what amount is appropriate (higher wages may disrupt local markets and exclude poor, while lower wages can attract poor but may lead to exploitation of the poor)? How will the cash transfer will take place? Delivery mechanism.
- How women and other vulnerable groups such as elderly, dalits, or neglected victims will participate? Do they have different priorities and differential or special needs?
- How participating communities under the CfW will switch to their primary source of income? What will be the appropriate timeline? Is there any scope for turning CfW into an alternative livelihoods development programme? ■

trustworthiness of the Panchayat in selecting beneficiaries according to need since the language barrier makes it difficult for the team to discern possible deceptive proclamations of need by the beneficiaries. ■

Application of the Red Cross Code of Conduct in the Cash for Work Programme

All of AIDMI's disaster relief responses reflect a commitment to Sphere standards in disaster response, and a commitment to uphold and apply the International Red Cross' Code of Conduct. In order to demonstrate how in particular AIDMI's Cash for Work programme illustrates the application of this Code, we shall look at the code stepwise;

1. The Humanitarian Imperative Comes First

AIDMI's Cash for Work programme represents a commitment to the protection of the four basic human securities, through its contribution to livelihood security. By providing a cash wage, Cash for Work indirectly contributes to restoration of the other securities. As a result, the rehabilitation of the community can begin, and can restore the dignity of the community, thereby restoring important, but often neglected humanitarian needs.

2. Aid is given regardless of race, creed or nationality..[and is] calculated on the basis of need alone

The focus of the Cash for Work programme is the most disaster-affected of the community, and selection is purely need based. The inclusive nature of the programme ensures the participation of women and vulnerable groups. Marginalised groups are not discriminated against, and share equal responsibility in the decision making process. There is no discrimination in terms of gender, caste, creed, or race in terms of remuneration and activity. In the same way, participation is voluntary and flexible, thus it respects and supports indigenous coping mechanisms. It represents a commitment to equality and equal

provision of rights to humanitarian assistance.

3. Aid will not be used to further a particular political or religious standpoint

AIDMI believes strongly that aid should not be used for any political or religious project. The motivation and objectives of the programme based only on recovery and rehabilitation of the community.

4. We shall endeavour not to act as instruments of government foreign policy

Since the Tsunami does not represent a complex emergency, foreign policy interference is not relevant.

5. We shall respect culture and custom

At every stage of decision making, the community was involved. The activities selected were according to community need and demand.

Culturally appropriate activities were designed, and at all stages local tradition and customs were respected, and traditional materials, technologies and methods were used in all of the activities. The flexibility of the model allows for adaptation and application in diverse situation and locations.

6. We shall attempt to build disaster response on local capacities

Building on local responses to enhance local capacities and capabilities and respecting local cultures and customs are important aspects of the Code, and of AIDMI's ideology in application of Cash for Work. Local knowledge and skills are used to design an appropriate and effective programme according to the needs and demand of each diverse community.

7. Ways shall be found to involve programme beneficiaries in the management of relief aid

AIDMI ensures the involvement of beneficiaries throughout the programme design and implementation process. Communities are involved and consulted at the damage assessment stage and their involvement is maintained throughout the reconstruction process. They are also involved in setting the appropriate remuneration levels, so that participation is neither discouraged nor made undesirable. AIDMI is committed to action planning and activity at the grass roots level, and responding to the needs of the communities in which they work.

8. Relief aid must strive to reduce future vulnerabilities to disaster as well as meeting basic needs

Activities designed under the Cash



Cash for Shelter rebuilds not only lives, but also shelters.

for Work programme enabled the provision of future disaster mitigation measures such as the installation of fire extinguishers to protect transitional shelters were also designed to enhance the potential of the community to deal with a range of future disasters. Cash for Work also provided for the implementation of monsoon protection measures to mitigate the impact of monsoon season. In terms of long-term vulnerability reduction, Cash for Work is run in parallel with the Alternative Livelihoods programme for capacity building and livelihood diversification. It also represents a foundation for microfinance application for risk transfer and reduction.

9. We hold ourselves accountable to both those we seek to assist and those from whom we accept resources

AIDMI's Cash for Work programme represents two-way vertical accountability - downwards accountability to the programme beneficiaries to address their needs in a fair and transparent fashion, and upwards accountability to the financing organisations for the effective and efficient use of resources in undertaking humanitarian assistance in the form of the Cash for Work programme.

10. In our information, publicity and advertising activities, we shall recognise disaster victims as dignified humans, not hopeless objects

The very nature of the Cash for Work programme recognises victims as dignified humans and not helpless objects. It supports indigenous coping strategies, and responds to the community's desire to help themselves through active participation in recovery. Through the reinstatement of a degree of earning capacity, dignity is restored since beneficiaries have a degree of control over their recovery rather than depending on in kind relief. ■

Case Studies: International Application of Cash for Work

The Tsunami response perhaps represents the largest simultaneous implementation of Cash for Work programmes in terms of both scale and geographical coverage. However, it was not the first time that such activities have been undertaken in disaster response. The following illustrations reflect the diversity and flexibility of cash-based relief programmes.

Maharashtra, India: 1972-1973

Perhaps one of the earliest examples of disaster mitigation using cash-based operations. Application of the Indian Famine Codes resulted in the implementation of public works programmes in the state of Maharashtra, providing employment for thousands on the verge of famine in 1972-3. Addressing a 'cash famine' successfully averted a food famine by ensuring daily household needs could be met as private traders moved to meet the demand and shortfall of government food supplies.

Bangladesh: 2001

Widespread flooding in West Bangladesh prompted Oxfam International to operate Cash for Work programmes as part of their relief provision in the region. The programmes were able to reach out to 10000 poor, flood-affected

individuals. This paved the way for long-term risk reduction through microfinance application by Bangladesh's microfinance institutions.

Afghanistan: 2002-2003

A congregation of NGOs implemented Cash for Work programmes during the aftermath of the war in Afghanistan in 2002-3. These not only provided a degree of economic reconstruction, but also complemented activities aiming to promote stabilisation and transition within the country. The successful programmes prove that cash-based programmes can be effective in complex emergencies and situations of insecurity. It was found that cash-transfers were safer to affect than in-kind relief which was frequently hijacked.

Tsunami-affected Indonesia: 2005

Cash for Work programmes were used across the Tsunami-affected regions of Indonesia to reconstruct damaged infrastructure, and build new community assets. It was found that the programmes ideally complemented the other relief activities in the area. New skills were acquired by community members, which led to permanent employment and income generation opportunities. ■



Cash for Work initiative is a big opportunity for creating alternative livelihoods.

Examples of Successful Cash for Work Programmes: Stories from the Field

Case Study of Sabnamani
Cash for Work has made a significant impact to the lives of the beneficiaries. One example comes from Sabnamani who is a 29 year old fisherman living in the village of Anichyakuppam. He is newly married and therefore has no children to support. However, the effects of the Tsunami on his livelihood were extensive. Before the Tsunami he had a good income, derived mainly from fishing. From this, he was able to earn just under Rs. 2000 per month. However the Tsunami destroyed his livelihood and most of his possessions. He estimates that the livelihood assets lost, which included his boat, which he owned, fishing nets and other work related products, totalled some Rs. 2,00,000. Now, over a year on from the Tsunami, his income has not reached its pre-Tsunami level, and Sabnamani now only has an income of around Rs.1200 per month.

In the immediate aftermath of the Tsunami, AIDMI's Cash for Work programme provided his only source of income. The programme paid him



Sabnamani in Anichyakuppam

Rs.75 per day to conduct work such as, clearing debris and painting structures that remained undamaged by the Tsunami. Although this was not a huge amount of money for the fisherman of Anichyakuppam, it represented a valuable opportunity to purchase the goods necessary for survival, and to cover everyday expenses whilst new boats and other items needed for restarting fishing were procured. Sabnamani also stated that he was grateful for the money offered by the programme and rated it very highly. Indeed he thought that it was one of the most effective aid packages instituted by any of the donor agencies working in the village and surrounding area.

Case Study of Vijaya

Another example comes from Vijaya, who lives in Puddukuppam, one of the smaller villages in which AIDMI operates, containing only 68 households. As it is a small village it has often been overlooked in terms of livelihood provision. As a result, AIDMI's programmes represented the only livelihood aid received by the



K. Vijaya in Puddukuppam

village in the aftermath of the Tsunami. Therefore Vijaya felt that AIDMI's programme has made a very significant impact on the community.

Before the Tsunami, Vijaya, a 30 year old mother of 2, had worked with her husband, selling the fish that he had caught. After the Tsunami, their employment infrastructure was obliterated by the waves, leaving them unable to continue fishing. In this respect, AIDMI's Cash for Work programme was the only means of income generation in the village, and was especially important because the village had been overlooked in the provision of Tsunami recovery funds.

Vijaya took part in AIDMI's Cash for Work programme, earning Rs.65 per day. Her activities included coir making and cleaning duties. This sum is a significant amount, especially bearing in mind the fact that today her husband is only able to make around Rs. 20 per day from fishing, and the quantity of fish that he catches is not significant enough to take to market, meaning that Vijaya found herself effectively unemployed.

She estimated that she and her husband lost some Rs.30,000 worth of livelihood assets, including their boats and nets. She also stated that cash aid to the village had not been significant – the government's initial emergency aid package had totalled only Rs.4000 and then Rs.1000 for the following four months. In addition, the boat that her husband now uses is a shared boat, which five families must share. Before the Tsunami he had owned his own boat, meaning that he was able to earn a far greater amount than he is today.

Vijaya therefore found that the Cash for Work programme was not only

useful in the immediate aftermath of the Tsunami, but continues to be useful today, especially during the off season. She therefore rated the Cash for Work programme run by AIDMI very highly and stated that it represented a vital lifeline for her and her family.

Case Study of Vallathan

A further example comes from Vallathan who is a 46 year old father of three girls and one boy, living in the village of Puddukuppam. He is a fisherman by trade, and before the Tsunami he was earning around Rs.1100 per month. However today he is only earning between Rs.20 and Rs.30 per day. As a result Cash for Work provided, and continues to provide, a vital lifeline for him and his family. This is because the Cash for Work programme paid him Rs.70 per day to clean up the area, carry out painting jobs and carry out other important maintenance jobs in his village. He stated that as well as the Cash for Work programme being useful in the immediate aftermath of the Tsunami, it has continued to be useful, and represents an important income stream during the off season, especially as there is no other form of work apart from fishing in the village.

Cash for Work provided a valuable income source that went some way to



R. Vallathan in the village of Puddukuppam

compensate Vallathan for the Rs.20,000 worth of materials connected to his livelihood that he lost in the Tsunami. This included his boat, and although replacement boats have been provided, they are not enough for the community. Subsequently, only 20 members of the community can fish at any one time. Consequently they alternate days on which they fish. This has also resulted in a proportional decrease in income, and as a result Vallathan uses AIDMI's Cash for Work programme to supplement his earning capacity. He therefore views AIDMI's Cash for Work programme as an essential part of his income generating activities.

Case Study of M. Peen Bath and J. Krishna

The following case study draws on the experiences of M. Peen Bath and J. Krishna Vani. Peen Bath is 35 years old and has 3 children, two boys and one girl. Krishna Vani is 55 and lives with her son and daughter in law. Peen Bath's husband had, before the Tsunami, owned a tricycle and been employed transporting fishing nets between the villages, and she had owned a small shop where she sold soup and plastic dishes. They had a combined income of around Rs.4000 per month. This was completely wiped out by the Tsunami and she estimated the damage to their livelihoods to be around Rs.25,000.

Krishna Vani had worked tending a small park near the village for which she earned Rs.1000 per month. This was supplemented by her son's wages.



M. Peen Bath and J. Krishna Vani

He had worked as an electrician earning around Rs.3000 per month. The Tsunami wiped both these income earning streams. Firstly, because the park was destroyed by the Tsunami and secondly, the houses and businesses that her son used to service no longer existed.

Both women said they substantially benefited from AIDMI's Cash for Work programme. This provided them with a valuable life-line after the Tsunami, and continues to be useful for them in order to sustain their livelihoods, which have not yet fully recovered after the Tsunami.

They were employed making candles for sale. They were paid Rs.14 per kilo of candles produced, and a team of 6 workers usually managed to produce around 25 kg of candles per day. The teams would usually work on day off and one day on, in order to allow participants to fish or to conduct any other livelihood activities, if these were available. Overall both women rated the Cash for Work programme very highly saying that without it they would have seriously struggled to earn enough money to survive.

Case Study of Manugan

Bala Manugan is a 28 year old fisherman from the village of



Manugan in the village of Anichyakuppam

Anichyakuppam who has benefited from AIDMI's Cash for Work programme. He is the head of a household consisting of his mother and his younger brother. Before the Tsunami, he was able to earn around Rs.1500 per month. His mother was also employed within the fishing industry, as she was responsible for taking the fish to market. However even today his income levels have still not returned to their pre-Tsunami levels, as he is able to make just under Rs.1000 per month from fishing. Again the cash losses including boats, fishing nets, and other fishing equipment were substantial and he estimated the total financial loss of livelihood assets to be around Rs.200,000.

After the Tsunami, when he was unable to fish, he took part in AIDMI's Cash for Work programme, earning Rs.75 per day to clean debris. Then after the initial Tsunami damage had been rectified, he found employment under the Cash for Work programme painting houses in the village. He stated that he had found the Cash for Work programme operated by AIDMI an essential lifeline in the immediate aftermath of the Tsunami.

However, he also made it clear that it was useful even when other forms of livelihood aid had been received. He had received some aid; a replacement boat, costing around Rs. 60,000 and government emergency aid including an initial aid package of around Rs.10,000 and then Rs.1000 per month for the next four months. He found that when government aid ceased, AIDMI's Cash for Work programme provided an essential supplementary form of income for himself and his family. This was especially true as fish yields since the Tsunami have remained low.

Manugan also stated that the fact that AIDMI's Cash for Work programme has continued to date, is useful as it provides an alternative source of income during the rough season. He also told that such programmes were useful because it enabled him and his brother to carry out more work and further raise their incomes, so that their elderly mother was not forced to go to the market so often. He said that without Cash for Work she would have had no alternative to work, even though she is increasingly frail. Over all they felt that the Cash for Work programme made, and continues to make an excellent contribution to their livelihood security. ■

Key Recommendations

- Focus on adding value to community recovery through meaningful work under CfW.
- Facilitate in establishing market linkages.
- Shift from supply to demand side interventions.
- It is important to ensure that community infrastructure created during the CfW is sustained through the provision of either maintenance funds or replacement fund, which ever is considered appropriate.
- Encourage risk transfer activities during CfW such as micro insurance, micro credit, micro mitigation, housing finance etc.
- More and more community infrastructure projects need to be designed and included under the CfW programme.
- Greater research and system-wide evaluations of cash-based relief (including CfW) by the humanitarian sector is required. Process for CfW cost-benefit analysis should also be devised.



"What else can I concentrate on? Apart from losses and worries? Work is a great restorer."

Lessons for the Future...

Based on observations and shared experiences, AIDMI have identified a number of areas in which improvements could be made to Cash for Work programmes to increase the value-added to the beneficiaries:

- Explore and expand the potential for application of microfinance as a next step for further risk transfer/reduction
- Develop Alternative Livelihoods programmes to attract more male participants - appropriate skills training
- Undertake capacity building exercises to increase the value added by the programme, and improve the efficiency of the programme operation.

appropriate to provide 'in kind' relief such as food aid;



Embroidery as a part of Cash for Work.

When are cash based programmes not appropriate?

In spite of the overwhelming support and advocacy of cash based programmes such as Cash for Work by the humanitarian sector, there are situations in which it is not appropriate to implement such programmes. In the following situations, it may be more

- **No market access**
If market linkages are not present, or access to markets has been destroyed by disaster, then food aid may be more suitable until such time as access can be restored, or regular sources can be accessed.

- **Non-cash based societies**
In non-monetised societies which use mediums other than cash for transactions (barter systems), cash is clearly inappropriate. Food for work programmes may be feasible.
- **Where there is a food shortage**
In famine or drought situations in which harvests fail or there is a shortage of food supply, food relief would be required and cash may be inappropriate until local markets and supplies are restored.
- **Complex humanitarian crises**
In situations in which political insecurity and corruption may inhibit the accurate targeting of beneficiaries, or funds may be diverted through corruption and used to further conflict.
- **Acute Emergencies**
Immediately after the incidence of an acute emergency, in kind relief may be required before it is possible to switch to cash based relief. ■

Do you wish to receive this publication regularly? Write to Vandana Patel at AIDMI (dmi@icenet.co.in). The publication will be sent to you by E-mail.

You may also send your comments to improve this publication so that it is more effective and informative.

Please contribute comments, features, reports, discussion points, and essays about your work. Today!

**PRINTED MATTER
Book-Post**

Mr. _____



ALL INDIA DISASTER MITIGATION INSTITUTE

411 Sakar Five, Near Natraj Cinema, Ashram Road, Ahmedabad-380 009 India

Tel: +91-79-2658 6234/2658 3607, Fax: +91-79-2658 2962

E-mail: dmi@icenet.co.in, Website: <http://www.southasiadisasters.net>