

»»» Pros and cons of Cash-for-Work measures in crises and forced displacement contexts

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Cash-for-Work (CfW) programmes have been a commonly used tool in German development cooperation for many years. These directly remunerated employment measures (literally: “cash for work”) primarily serve to cover the immediate period surrounding an emergency and to secure, in the short term, the livelihood of vulnerable target groups that are acutely affected by crises. In many countries, CfW programmes represent an important pillar of social security systems at a national level.

Pro: cushioning the effects of short-term crises, basis for sustainable development

Proponents of CfW projects primarily highlight the “double dividend” of the programmes: on the one hand, participants get the opportunity to secure their own livelihood (and that of their families), at least in the short term, through legal paid work. On the other hand, the facilities that are repaired or newly constructed through the programmes (roads, water supply lines, schools etc.) constitute important infrastructural prerequisites for the return to sustainable development processes.

Furthermore, CfW programmes harbour the potential to quickly restore local economic processes after crises (income ► consumption ► production ► employment ► income) and strengthen social cohesion between refugees and host communities.

CfW programmes can also help to give programme participants a structured daily routine, create positive prospects for their future, reduce their vulnerability to recruitment attempts by criminal or terrorist groups and thus restore confidence in the state and its legitimacy as well. With targeted promotion of vocational qualifications, CfW programmes may, in some circumstances, even have a positive impact on participants’ income

far beyond the duration of the programme.

Con: lack of structural effectiveness and sustainability

However, CfW approaches are highly controversial. One criticism is that the measures only combat symptoms and not the actual causes. This means that they cannot help to relieve precarious situations in a lasting way and may even contribute to maintaining the status quo. Furthermore, if CfW measures are not planned thoroughly enough, there is a risk of fomenting new conflicts (for instance, between refugees and the local population). In addition, they could give rise to new dependencies between the population and donors, and the public infrastructure that has been constructed may subsequently prove to be neither particularly sustainable nor cost effective.

It’s all about the design!

The above-mentioned criticisms cannot just be dismissed; however, designing CfW measures in smart ways can help to avoid or at least significantly mitigate them. Important aspects to be considered here include:

- **Design with sensitivity to the possibility of conflict:** especially during crises and in forced displacement contexts, CfW measures should always take local conflict dynamics into consideration (“do no harm”), be equally accessible to refugees and the local population and, where possible, promote platforms for interaction and discussion (social cohesion).
- **Participation and ownership:** participative planning and implementation of measures (needs analysis, prioritisation), possibly involving local institutions that are trusted by the target group, can significantly increase local ownership and the effectiveness of CfW measures.

- **Gender and inclusion:** when designing measures, consideration must be given to gender equality and inclusivity, ensuring that women, men and people with disabilities all have opportunities to participate on an equal footing (e.g. type of work, use of gender-specific options or quotas).
- **Technical standards:** the quality of the work should meet minimum technical standards in order to guarantee their long-term usefulness. This means that accompanying qualification measures are often appropriate and continue to have an impact once the programme has ended. Adherence to adequate working, safety and social standards is also important in relation to CfW measures.
- **Exit strategy:** the end of the programme must be planned carefully in order to guarantee a smooth transition (building bridges to longer-term programmes where relevant).
- **Incorporation into local systems:** CfW programmes must not replace or displace long-term employment opportunities. Wages should therefore always be based on the local minimum wage (“self selection”). The programmes should be planned and implemented in close consultation with the local authorities, or they may even act as the lead agency (avoid creating parallel systems where possible), and programmes should include complaint mechanisms.

Conclusion: when they are designed “correctly”, CfW programmes can be usefully deployed in many fragile contexts for stabilisation purposes. Some may even achieve long-term structural contributions. ■