General articles

Cash and vouchers: a good thing for the protection of beneficiaries?
Michelle Berg, Hanna Mattinen and Gina Pattugalan

The international humanitarian community has moved from the more traditional approach of providing in-kind assistance to the use of cash and vouchers. In situations of displacement they can work as a dignified, easily accessible form of assistance.

In late 2011 the World Food Programme (WFP) conducted a literature review of previous studies of cash and voucher transfers and a limited survey of their own programmes to investigate whether cash and voucher transfers were working towards improving protection of beneficiaries, or at least doing them no harm. WFP and UNHCR then designed a multi-country field study covering a range of scenarios (urban, rural, camp, non-camp, emergency and development) in eight countries; in five of these, cash and voucher transfers are used in displacement settings (Chad, Jordan, Ecuador, North Darfur and Pakistan).

The study examined the potential protection and gender impacts in terms of dignity and empowerment of beneficiaries, beneficiary safety, and whether and how beneficiaries’ access to assistance was affected, as well as gender relations and community social cohesion, and beneficiary preferences. The research found that in most cases the protection and gender impacts identified were the result of programme design and how it addressed (or did not address) protection and gender considerations, rather than as a direct result of cash transfers and vouchers. An exception to this was that cash and vouchers were felt to be a more dignified form of assistance for their recipients.

Promoting dignity: In situations of displacement individuals accustomed to supporting themselves and their families suddenly become dependent on aid and charity. While their sense of dignity cannot be easily and fully restored, cash and voucher transfers offer some choice and a small degree of control in a situation where many feel they have none. As one refugee in Jordan noted, unconditional cash transfers provided “some small scrap of dignity” in a difficult life filled with uncertainty. Beneficiaries consulted in Sudan and in Ecuador liked vouchers (for food and non-food items) because they offered some opportunity to choose, despite that choice being limited. Additionally, in Sudan the food vouchers allowed beneficiaries to choose goods that were locally and culturally preferred and appropriate to local diets and food preparation practices.

By design, however, vouchers limit purchases to pre-defined items in shops pre-selected by the assistance agency. In some cases agencies placed conditions on what cash could be spent on too fearing that beneficiaries would make...
'bad choices' or choices that did not correspond to the agencies’ mandate, or would engage in ‘anti-social spending,’ (for example, on alcohol, cigarettes or visits to beauty parlours). However, the research revealed very little evidence of anti-social spending (although admittedly hard to track) and in those cases where it was found the communities had mechanisms to address it. Moreover, in certain circumstances, what agencies deemed anti-social spending had positive psychosocial impacts – including increasing the feeling of belonging in the community, and gaining goodwill from others for future times of need.

Conditions were also attached to cash to promote behavioural change. In Chad, UNHCR’s conditions included requiring recipients’ children to attend school and get health check-ups. While these created some positive results, there were concerns about their longer-term sustainability. Some beneficiaries noted that the behaviours would stop when the cash stopped. Moreover, one community leader noted that, although taking children for check-ups was certainly a good thing given the poor sanitary and housing conditions in the camp, she had not noticed an improvement in the health of the children. This suggests that the conditions applied to cash transfers – in the absence of other improvements that led to better health for children – did not have the desired or intended effect.

Overwhelmingly the study indicated that increased dignity was positively linked by beneficiaries to the degree of choice provided, raising the important question of whether the attachment of conditions to cash or vouchers enabled them to achieve all potential positive outcomes, including providing a sense of dignity.

**Empowerment**: The research found that programmes using cash and vouchers often claimed to empower beneficiaries without defining what that meant. In cases where the population interviewed had been displaced, the use of cash and vouchers provided little or no evidence of empowerment. In Chad, refugees received limited amounts of cash with conditions attached and had enormous needs, having lost their homes, their possessions and their livelihoods. In Pakistan, interviewees had experienced devastating floods and receiving cash did little to empower them — the needs were great and the programmes there were short-term.

In Sudan, one of the stated programme goals of the voucher transfers was “to empower beneficiaries, particularly women, through ownership of their food security needs and the opportunity to purchase locally preferred food”. While giving a choice of 14 food items through the voucher scheme was preferable to having no choice at all, it was not found to contribute to significant levels of control over decision-making and resources that determine the quality of life, and economic, social and political decision-making (i.e. empowerment). Such programmes are a reminder that agencies should not be overly ambitious about what a single intervention can achieve, since many other factors are necessary for the achievement of empowerment. Moreover, displacement situations can often be inherently disempowering, and short-term assistance, in whatever form, is unlikely to resolve such fundamental vulnerability. In addition, while giving cash and vouchers to women undoubtedly had positive effects, it did not follow necessarily that because women received or earned cash and vouchers, gender relations, roles or perceptions had changed, or that the women were empowered.

The women did not need to be the direct recipients of the cash in order for it to have a positive impact on their lives. In Jordan, cash was given to men because it was culturally more appropriate. Interviewees there stated that if cash had been given to women it would have had the effect of ‘disempowering’ the men and therefore risked causing resentment towards the women for co-opting men’s traditional role as providers. Both women and men reported that women were nevertheless consistently involved in decision-making about spending the cash at the household level. This finding challenges conventional thinking that women should be given the entitlement in order to increase the odds that it will benefit them and the entire household, or because it will empower them or shift gender dynamics.
Safety and access: None of the beneficiaries interviewed raised concerns about the safety of cash and vouchers, even in precarious security situations. In all cases, agencies had considered beneficiary safety while collecting and spending the cash or vouchers a priority. For example, in Darfur traders set up markets near the camps to enable beneficiaries to spend vouchers without fear. In both Chad and Pakistan, police ensured security of cash, although in both countries beneficiaries felt that the police were not needed. Technology as well greatly assisted security concerns in Jordan, where refugees used automated teller machines (ATMs) using bankcards or iris scans, enabling withdrawal of cash discreetly and in limited amounts.

Identification was required in Pakistan for example, where banks were used for distribution of cash, but this provided an opportunity to work with the government to enable beneficiaries to obtain documentation — potentially enabling longer-term protection benefits and access to other resources.

Unfortunately, cash and vouchers did not remove all opportunities for cheating or corruption. Some individuals reported that traders participating in voucher schemes charged higher prices than in stores in the market or other traders, or that some local leaders demanded families under their control redeem their vouchers only from certain traders for a ‘commission’. However, with robust monitoring and effective complaints mechanisms, such challenges were overcome at an early stage.

Community relations: Despite the fact that food and non-food items purchased with cash and vouchers were shared less than with in-kind distributions, social tensions in displaced communities for the most part did not arise, whether within the displaced community itself or between the displaced community and the host community. In some instances, there were positive effects, such as in Sudan where vouchers caused interaction between different ethnic groups (traders and beneficiaries) which some interviewees felt brought more community cohesion.

Beneficiary preference: Overwhelmingly, beneficiaries stated that they preferred cash to other forms of assistance. The most common reason was that they preferred the flexibility that cash offered them and the choice it offered them to prioritise their own needs.

Conclusions
The loss of control over decision-making in a crisis is a significant part of the suffering experienced by displaced populations, and particularly cash as a mode of assistance delivery can have a positive impact on restoring a sense of dignity and choice. The shift in modalities of aid from in-kind assistance to cash and vouchers does provide an opportunity for agencies to more fully incorporate protection and gender issues into their programming — not only new issues but also to address longer-standing protection and gender issues.

Aid agencies with sector-specific mandates should not be afraid to embrace the advantages of cash because of concern that cash provided to cover needs in one sector may be used by beneficiaries to cover need in another that they find more important. Viewing cash and voucher transfers as tools in a broader assistance strategy could enhance their protective impact.

Although cash and vouchers were generally viewed positively by beneficiaries and other interviewees, they are not always appropriate. As the ODI Good Practice Review ‘Cash Transfer Programmes in Emergencies’ notes, “cash transfers are not a panacea.... The appropriateness of cash transfers depends on needs, markets and other key factors, all of which vary from context to context.”

Michelle Berg michelleberg2@gmail.com is an independent consultant. Hanna Mattinen mattinen@unhcr.org is the Senior Food Security and WFP Liaison Officer with UNHCR. Gina Pattugalan gina.pattugalan@wfp.org is Policy Officer with WFP.