

Ethiopian droughts: reducing the risk to livelihoods through cash transfers

Ethiopia suffers from recurrent drought and famine. In 1984-85, war and drought caused a food crisis during which around one million people died – a disaster from which Ethiopia never fully recovered. In 1999-2000, rains failed again, affecting eight million people. By mid-2003, an insidious combination of sporadic seasonal rains, poverty and HIV/AIDS has conspired to leave over 12 million Ethiopians dependent on relief.

The majority of Ethiopia's people are agriculturalists, dependent on rain-fed crops or pastoralists, earning a living through livestock. However, recurrent droughts have eroded their assets: crops have failed and farmers, too desperate to leave land fallow and let it recover, are forced to keep degrading their soils. In the mountainous north, soil erosion is a serious problem. Falling crop yields and shortage of water mean livestock are dying in droves – or being sold off in a last-ditch attempt to survive. But over the past year, grain prices have doubled and livestock prices have halved, driving the already destitute further into debt.

Humanitarian organisations have realised that simply providing millions of tonnes of food aid every few years – while life-saving in the short term – is doing nothing to address the deeper causes of this chronic disaster. They have experimented successfully with distributing cash for work instead of food aid. This has several effects: it provides the most vulnerable with desperately needed money, reducing the need to sell off precious assets such as livestock or tools; it enables the poorest to buy food, stimulating the local economy and encouraging farmers to produce more; and the work for which they are paid is focused on measures which reduce disaster risk.

The intervention

South Wollo, in northern Ethiopia, is one of the zones hit by food insecurity. The population depends on agriculture and livestock for its livelihood. But recurrent drought has forced them to sell many assets and plunged them into destitution. As mountainous soils erode, the increasing pressure on available land makes matters worse.

In October 2000, the Ethiopian Red Cross Society (ERCS) initiated a programme to reduce vulnerability to drought. They distributed cash totalling US\$ 760,000

to 62,000 people in Ambassel and Kutaber districts of South Wollo. In return, recipients had to work on 'employment generation schemes' (EGS), which focused on road construction and environmental protection (e.g. terracing fields, building check-dams, protecting springs). Food distributions continued to those unable to take part in EGS.



A woman beneficiary of the Ethiopian Red Cross Society Cash for Work programme receives her cash entitlement.

Positive impacts

Improved access to food: Providing cash rather than food aid enabled households to choose which food to purchase, when and how much.

Better long-term food security: building 143 ha of terraces and 50 check-dams reduced soil erosion and increased soil depth, moisture and fertility, which in turn increased crop yields.

Stronger livelihoods: constructing 96 km of roads improved the access of farmers and pastoralists to local markets, enabling them to buy and sell their produce.

Healthier lives: better roads mean quicker journey times to health centres in district capitals. Cleaner springs ensure a healthier drinking water supply, reducing disease.

Healthier livestock: better crop yields and water quality ensure healthier animals. Beneficiaries were also able to use the cash they earned to purchase goats.

Preventing sale of assets: the intervention has prevented target households from selling any more vital assets – such as tools or livestock.

Lessons learned

- The ERCS has a strong, community-based network of volunteers who can mobilise and monitor the activities of vulnerable people in often-inaccessible communities. This complemented the role of the Ethiopian government, which provided technical expertise but lacked access at community level.
- The presence of Red Cross volunteers among communities means that they are well placed to understand the risks facing vulnerable communities. Volunteers used this knowledge to help villagers design appropriate risk reduction measures.
- Distributing money rather than food enabled households to choose how to spend the cash – whether on food or on longer-term food security strategies (e.g. investing in tools or livestock). Nearly 100 per cent of households said they preferred cash to food aid.
- Concerns that distributing cash could lead to higher food prices proved unfounded. However, weekly market price monitoring is needed to check on inflation. If inflation occurs, the programme should be converted into food for work.
- However, the average cash distribution of US\$ 12 per beneficiary was not sufficient for most people to invest in buying new assets – it simply prevented them from selling any more assets. Future programmes should therefore increase the wage rate.
- Programme participants were not provided with enough tools or cement to complete construction projects to a high standard. Future employment generation schemes should include such ‘non-wage costs’ in their calculations.
- While cash is easier and quicker to distribute than food, there were concerns over handling of cash because of security implications. However, there were no reports of cash being misused for unintended purposes (e.g. alcohol).
- Cash-based employment generation schemes are best implemented when the main constraint to food security is access to food, not availability of food.



A female beneficiary of the cash for work programme purchases food at the local market.

Conclusion

Distributing cash instead of food allowed the ERCS to help those affected by drought to protect their livelihoods. Households could choose what they invested their money on in order to cope with the disaster. Their participation in community work helped to prevent long-term threats to their livelihoods posed by soil erosion and future droughts. The ERCS is now implementing a similar programme in response to the 2003 food crisis, which incorporates lessons learned from 2000.

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