

Multipurpose cash transfers in humanitarian contexts:

Ideas, priorities, consequences

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Abbreviations

AFAD	Turkish Disasters and Emergency Management Presidency
AIR	American Institutes for Research
ALNAP	Active Learning Network for Accountability and Performance in Humanitarian Action
ARCCII	Alternative Responses for Communities in Crises programme II
ATM	Automated Teller Machine
BAWG	Basic Assistance Working Group
BLF	Banque Lebanese Française

CaLP	Cash Learning Partnership
CBA	Cash-Based Assistance
CERF	Central Emergency Relief Fund
CI	Care International
CRS	Catholic Relief Services
CTP	Cash Transfer Programming/Programs
CWG	Cash Working Group
DAC	Development Assistance Committee
DC	Danish Refugee Council
DFID	British Department for International Development
DK	Diakonie Katastrophenhilfe
DRC	Democratic Republic of Congo
ESSN	Emergency Social Safety Net
FAC	Food Aid/Assistance Convention
GDP	Gross-Domestic Product
HLP-HCT	High-Level Panel for Humanitarian Cash Transfers
HPN	Humanitarian Practice Network
IASC	Inter-Agency Standing Committee
ICRC	International Committee of the Red Cross
IDP	Internally Displaced People
IFRC	International Federation of the Red Cross and the Red Crescent
IGO	International Governmental Organization
IHL	International Humanitarian Law
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
IOM	International Organization for Migration
IRC	International Rescue Committee
LCC	Lebanon Cash Consortium
LCRP	Lebanon Crisis Response Plan
LOUISE	Lebanon One Unified Inter-Organizational System for e-Cards

MEB	Minimum Expenditure Basket
MFI	Microfinance Institutions
MINUSTAH	United Nations Stabilisation Mission in Haiti
MNO	Mobile Network Operators
MoFSP	Turkish Ministry of Family and Social Policies
MoSA	Lebanese Ministry of Social Affairs
MPCA	Multipurpose Cash Assistance
MPCT	Multipurpose Cash Transfers
MPG	Multipurpose Cash Grants
NCM	Negative Coping Mechanism
NGO	Non-Governmental Organization
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OECD	Organization for Economic Co-operation and Development
PDM	Post Distribution Monitoring
POS	Point of Sale
SASF	Social Assistance and Solidarity Foundations
SC	Save the Children
SI	Solidarités International
SMEB	Survival Minimum Expenditure Basket
TL	Turkish Lira
TRC	Turkish Red Crescent
UAH	Ukrainian Hryvnia
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USAID	United State Agency for International Development
WFP	World Food Programme
WHS	World Humanitarian Summit
WV	World Vision
WVI	World Vision International

Introduction

Confronted with a lack of funding in a context of an increasing number of protracted crises, natural hazards and urbanization processes, which create new or exacerbate the already existing vulnerabilities, humanitarian actors are increasingly pushed towards a restructuring and reorientation of their work. In the effort of doing more with less, the most significant donors and aid agencies are insisting on the necessity to improve the efficiency¹ and effectiveness² of humanitarian action. During the World Humanitarian Summit (WHS) of 2016, “more than 30 major donors and aid organizations agreed on the adoption of the Grand Bargain”³, a series of reforms aiming to fix the current flaws of the humanitarian system⁴. The Grand Bargain counts ten core commitments, including efforts to achieve more transparency, more localization⁵ and participation of beneficiaries, an improvement of the cooperation between development and humanitarian actors as well as an increased use of cash transfer programming (CTP).⁶ Whereas the former four commitments represent results the signatories are striving for, the latter can be described as a form of action destined to achieve these results. In a recent report of the World Bank Group, published in April 2016, CTP is presented as a possible “entry point for systemic change”⁷ and a facilitator for synergies between humanitarian and development aid.⁸ The “transformative” potential has also been one of the assumptions on the basis of which the WHS has discussed possible reforms for a positive change.⁹ In a report on the implementation of commitments by the signatories of the Grand Bargain, Derzsi-Horvath et al. show that approximately half of the relief organizations increased their CTPs and almost a fifth of the donors reported that they have supported more cash-based assistance (CBA) after the WHS.¹⁰ Currently accounting for only 10% of humanitarian assistance¹¹, the use of CTP represents an upward trend that is very likely to continue, as it is strongly supported by the most important¹² donors and aid agencies. In numerous documents published by these aforementioned actors – or on their behalf, the objective of “scaling-up” the use of CTPs in humanitarian contexts starts to feature as a central thought. In line with this aspiration, unrestricted and unconditional cash transfers called multipurpose cash transfers (MPCT) or multipurpose cash grants (MPGs) are gaining attention. The World Bank Group attests to the fact that this cash modality an even

¹ Defined here as the ability of obtaining a maximum output with a preferably minimum input.

² Understood as the ability to succeed in achieving an intended result.

³ DERZSI-HORVATH Andras, STEETS Julia, RUPPERT Lotte, *Independent Grand Bargain Report*, Berlin: Global Public Policy Institute (GPPi), 08.06.2017, 91p, here: p. 6.

⁴ Despite the fact that humanitarian action involves a variety of loose networks which are not as interrelated and interdependent as the term “system” implies, we will use the term “humanitarian system” in our thesis pointing to the fact that humanitarian networks share broad goals and values and are interdependent in the field.

⁵ Meaning “more support and funding tools for local and national responders” (Ibid, p.7).

⁶ Cf. Ibid, pp. 6-7.

⁷ *Cash Transfers in Humanitarian Contexts (Strategic Note)*, Washington DC: The World Bank, April 2016, 85p., here: p. vii.

⁸ Cf. Ibid.

⁹ Cf. *Approach Paper – WHS Theme 3: Transformation through Innovation*, New York: OCHA, 25.09.2014, <https://reliefweb.int/sites/reliefweb.int/files/resources/Transformation%20Through%20Innovation%20Approach.pdf> [21.03.2018].

¹⁰ Cf. DERZSI-HORVATH Andras et al., *Independent Grand Bargain Report*, p. 7.

¹¹ Cf. SMITH Gabrielle, MCCORMACK Ruth, JACOBS Alex, CHOPRA Arushi, GUPTA Aarsh Vir, ABELL Thomas, *The state of the world's cash report. Cash Transfer Programming in Humanitarian Aid*, Oxford: Cash Learning Partnership, February 2018, 140p., here: p. 3.

¹² In the sense of financial and political power.

stronger transformative potential given that MPCTs challenge the “traditional sectoral responses”¹³ by making the cluster system more or less obsolete.

Given this potentially tremendous impact of MPCTs on the humanitarian system in its entirety, particularly on its organization in clusters, this thesis will take a closer look at the ideas and hypotheses that accompany and shape the promotion of this form of humanitarian action.

The focus will lie on this aid modality’s effects on beneficiaries, which are supposed to be empowered through MPCTs. The key question of the analysis will be whether MPCTs are, in fact, empowering for beneficiaries, and which factors could hamper this effect or even lead to unintended negative results. The analysis will build on John Meyer’s *World Society Theory*, assuming that international non-governmental organizations (INGOs) and international governmental organizations (IGOs) are important actors of globalization that are inspired by, and that spread, the principles of a global culture – principles that have a specific history and that might not be beneficial for, or valued by, every society in the world.

Resulting from this focus and theory, the analytical part of this thesis is divided into four parts. The first section will contextualize international humanitarian action in order to understand the predominant mindset and philosophy of humanitarian actors. It will also put MPCTs into the broader context of humanitarian reforms and evolutions. Section II will examine the ideas and priorities underlying the cash agenda, and more precisely the push for more MPGs. Based on the findings of section II, section III will then analyze to what extent these ideas are put into practice and how successful they are. Finally, the last section of the thesis will bring out the risks and challenges deriving from the rationale of MPCTs, notably in regard to beneficiaries. Due to the fact that the increasing uptake of MPGs is promoted by the “rapid spread of branchless banking and electronic payment technologies”¹⁴, this thesis will only take into account electronically transferred MPCTs in humanitarian action. I define the latter as the manifestation of humanitarianism, meaning any noncoercive action which intends “to alleviate potential or existing human suffering and to improve the human condition”¹⁵. This form of action involves a variety of actors, such as private donors, government agencies, INGOs and IGOs. The focus of this thesis will be on the two last-named actors given that the programming as well as the implementation of MPCTs is carried out by them. Nevertheless, the provenance of funds is an important factor that needs to be taken into consideration, which is why publications of major donor governments represent valuable sources for the analysis.

The following paragraphs explain my approach in more detail and present the work’s guiding hypotheses.

Analytical Framework

Every reform and every policy change is based on an idea, or a set of ideas, that is destined to better an already existing framework or to replace it by a new one. The outcome depends strongly on the “existing ideological repertoires”¹⁶ policy actors draw on when defining the

¹³ *Cash Transfers in Humanitarian Contexts (Strategic Note)*, p. vii.

¹⁴ SMITH Gabrielle, MACAUSLAN Ian, BUTTERS Saul, TROMMÉ Mathieu, *New Technologies in Cash Transfer Programming and Humanitarian Assistance. A report for the Cash Learning Partnership – CaLP*, Oxford: Cash Learning Partnership, 2011, p. 104, here: p. ix.

¹⁵ COYNE Christopher J., *Doing Bad by Doing Good. Why Humanitarian Action Fails*, Stanford: Stanford University Press, 2013, 258p., here: p. 18.

¹⁶ BELAND Daniel, “Ideas and Social Policy: An Institutional Perspective”, *Social Policy & Administration*, 2005, vol. XXXIX, n°1, pp. 1-18, here: p. 1.

problems to be solved and the solutions to offer. I therefore consider an analysis of the ideas behind humanitarian MPCTs - as they are developed in policy documents, position papers and reports – as a necessity for understanding and judging their results. This thesis will therefore adopt an ideational approach. Although I will not proceed to a discourse analysis in this thesis, the concepts of Vivian Schmidt’s discursive institutionalism provide an important analytical framework for this work. Schmidt defines ideas as the “substantive content of discourse”¹⁷ that can be divided into three levels and categorized into two types. The levels of ideas – and more precisely their causality - are illustrated in the graphic below.



Figure 1 – Levels of ideas
Source: Own illustration.

Policies and programs are influenced by several assumptions which can be traced back to worldviews or philosophies, that emphasize and prioritize particular “values and principles of knowledge and society”¹⁸. The assumptions resulting from the respective philosophy have an impact on the solutions proposed by policy makers. Programs are drawing on policies when defining the problems to be solved, choosing inter alia the issues to be considered and the goals to be achieved out of a pool of solutions provided by policies.

Ideas on all three levels can either be normative or cognitive. Cognitive ideas describe the situation as it is and try to answer the question of what to do in order to change the situation considered to be undesired and problematic. They are therefore also referred to as causal ideas. Providing guidelines for action, cognitive ideas justify policies and programs on the basis of interest and necessity explaining

*[...] how (first level) policies offer solutions to the problems at hand, how (second level) programs define the problems to be solved and identify the methods by which to solve them, and how both policies and programs mesh with the deeper core of (third level) principles and norms of relevant scientific disciplines or technical practices.*¹⁹

Contrary to that, normative ideas attribute a moral judgement to the current situation, distinguishing between the “bad” and the “good” and describe what should be done in order to create a “good situation”. In other words, their focus lies on the legitimization of policies by explaining to what extent they are appropriate within a framework of norms and ideals. According to Vivien Schmidt, normative ideas

*speak to how (first level) policies meet the aspirations and ideals of the general public and how (second level) programs as well as (first level) policies resonate with a deeper core of (third level) principles and norms of public life, whether the newly emerging values of society or the long-standing ones in the societal repertoire.*²⁰

¹⁷ SCHMIDT Vivien A., “Discursive Institutionalism: The Explanatory Power of Ideas and Discourse”, *Annual Review of Political Science*, 2008, n°11, pp. 303-326, here: p. 303.

¹⁸ Ibid., p. 306.

¹⁹ Ibid., p. 307.

²⁰ SCHMIDT Vivien A., “Discursive Institutionalism: The Explanatory Power of Ideas and Discourse”, p. 306.

Discourse describes the interactive process of communicating ideas and exists in two forms which refer to the groups of people involved in this process. Coordinative discourses occur among individuals and groups that are creating, elaborating and justifying policies and programs, whereas communicative discourses occur between these policy actors and the general public. In most cases, both forms are combined but this depends on the interest of the respective public in the policies and programs generated. Either way, discourse has a strong influence on the potential success of the conveyed ideas.²¹ Nevertheless, an analysis of how the latter are presented will not be carried out in this analysis.

The analysis of ideas presupposes a contextualization, as ideas cannot be filtered out and examined without an assumption regarding their philosophy. Given the fact that the humanitarian assistance addressed in this thesis operates on a global level and mainly through IGOs and INGOs, I believe that John Meyer's *World Society Theory* can help to make sense of the values and principles underlying the conception of MPCTs, allowing thereby to classify and categorize the ideas conveyed in the examined policy documents. *World Society Theory*, also referred to as *World Polity Theory* or *global neo-institutionalism*, was developed in the 1970s by John W. Meyer of Stanford University as an analytical framework to interpret global relations, structures and practices. This theory stresses the political-cultural dimension of global reality, considering the world system as a social system in which cultural principles and models encompass and influence actors such as states, IGOs/INGOs and individuals.²² According to neo-institutionalists, IGOs/INGOs embody five global cultural principles that are constitutive of the so-called "world society": universalism, individualism, rational voluntaristic authority, rationalizing progress, and world citizenship. The first principle assumes that all human beings have most of their desires and needs in common, which is why the purpose and the nature of the activities carried out by international organizations²³ are valuable in all contexts and regions of the world. Individualism as a principle embodied by these organizations shows itself in the fact that most of them only accept individuals or groups of individuals as members, considering individuals to be the only veritable actors. In an individualist society or organization, the ties between people are loose and every person is in charge of his or her own fortune. In this regard, IGOs and INGOs differ widely from traditional societies, which attribute significant importance to lineage while circumscribing individual autonomy. Thus, John Boli and George Thomas assert that a combination of the two first principles possibly undermines traditional societies. The third cultural principle, rational voluntaristic authority, claims the possibility for collectively acting individuals to "determine rules that are just, equitable and efficient"²⁴ if making use of "rational procedures". INGOs benefit from a strong authority at the global level having neither law enforcement, law-making capacities, nor abundant economic resources like global corporations. Nevertheless, they expect that their established rules and standards are followed and condemn states and other actors when not doing so. Thus, INGO authority is not of organizational but of cultural nature, based on the principles of world culture and enabled by

²¹ Cf. SCHMIDT Vivien A., "Discursive Institutionalism: The Explanatory Power of Ideas and Discourse", pp. 303-311.

²² GREVE Jens, HEINTZ Bettina, "Die 'Entdeckung' der Weltgesellschaft", *Zeitschrift für Soziologie*, 2005, pp. 89-119, here: p. 101.

²³ Speaking of "international organizations", we mean governmental as well as non-governmental organizations which are acting on an international level.

²⁴ BOLI John, THOMAS George M. (ed.), *Constructing World Culture. International Nongovernmental Organizations Since 1875*, Stanford: Stanford University Press, 1999, 363p., here: p. 36.

the decentralized structure of the global system.²⁵ The fourth principle is a vital one and will be of particular importance throughout this thesis: rationalized progress. The term “rational” refers to Max Weber’s concept of “rationalization”, a process that bases social life on the concepts of efficiency (= maximum of results with a minimum of efforts), predictability (= desire to know the future), calculability (= focus on numerical data like statistics) and dehumanization (= increasing use of technology, which is also employed to gain control of human behavior). Rationalization results from scientific study as well as from technological advances, which reduce traditional practices and replace them with new ones. According to Weber, modern society is based on four types of rationality. Practical rationality refers to systematically analyzing how to achieve a desired goal in the most practical way. Theoretical rationality, on the other hand, explains the world through abstract concepts. Actors making use of a substantive rationality try to solve problems in a value-based and holistic way, applying ethical, religious or other more subjective criteria.²⁶ Unlike the latter, those applying a formal rationality refer to universal rules, considered to be objective criteria, as well as to calculating and quantifying methods when defining a choice.²⁷ Consequently, the expression of “rationalized progress” refers to the pursuit of a “development towards an improved or advanced condition”²⁸ using the logics of rationalization. Taking the example of IGOs and INGOs, one can notice their strong reliance on science, their orientation towards explicit goals which are pursued by using specific procedures and their frequent use of concepts such as economic growth, individual self-realization or empowerment as well as human rights. Boli and Thomas detect a general belief in “rational production and distribution”²⁹, realized either through free markets or bureaucratic planning – or a combination of both, for achieving “collective purposes of all sorts”³⁰. Scientific reasoning, monetarization as well as the use of technology are strongly present in the actions of internationally acting relief organizations. However, rationalization has long exceeded the boundaries of professional organization and actions as well as those of the Western hemisphere, spreading “downward into everyday life and outward to the entire globe”³¹. The consequence of this rationalizing process is a firm separation of the spiritual from nature, degrading everything that is not scientifically explainable. These four principles mentioned so far culminate in the last principle of world culture, notably world citizenship. In the framework of this concept, individuals, no matter their competences and resources, receive certain rights while being, in exchange, subjected to several obligations. Acting as the “primary carriers of world culture [...] INGOs translate the diffuse global identity and authority of world citizenship into specific rights, claims, and prescriptions for state behavior”³². All of these fundamental principles define the nature as well as the purpose of the respective actors and their actions, providing them with norms to follow and helping to define and deal with problems.³³ Thus, global reality – and consequently world society - is shaped by diffuse

²⁵ Cf. BOLI John, THOMAS George M. (ed.), *Constructing World Culture. International Nongovernmental Organizations Since 1875*, p. 37.

²⁶ Cf. WEBER Max, *Wirtschaft und Gesellschaft*, Tübingen: J.C.B. Mohr (Paul Siebeck), ⁵1972, 942p., here: p. 17.

²⁷ Cf. Ibid., pp. 44-45.

²⁸ *Progress*, Oxford: Oxford University Press, <https://en.oxforddictionaries.com/definition/progress> [09.05.2018].

²⁹ BOLI John, THOMAS George M. (ed.), *Constructing World Culture. International Nongovernmental Organizations Since 1875*, p. 38.

³⁰ Ibid.

³¹ Ibid.

³² BOLI John, THOMAS George M. (ed.), *Constructing World Culture. International Nongovernmental Organizations Since 1875*, pp. 39-40.

³³ GREVE Jens, HEINTZ Bettina, “Die ‘Entdeckung’ der Weltgesellschaft”, pp. 101-102.

functional models [...] about actors, action, and presumed causal relations”³⁴, named world models, which function as highly idealized “framing assumptions” that claim to be universally applicable and appropriate.³⁵ Their importance has intensified since the end of World War II, increasingly defining and legitimizing agendas for local action and “shaping the structures and policies of nation-states and other national and local actors in virtually all domains of rationalized social life”.³⁶ Meyer asserts that

*the power of modern culture [...] lies in the fact that it is a shared and binding set of rules exogenous to any given society and located not only in individual or elite sentiments but also in many world institutions [...].*³⁷

In other words, the values of world culture have been internalized and objectified to such an extent that dominant social, economic and political models seem natural and as the only logical option. Problems arising from this world culture are an increasing convergence or homogenization of societies that is not happening without resistance and conflicts as well as a fierce competition for resources as the actors of world society are pursuing similar aims in a system that lacks central control.³⁸

This thesis considers cash transfers as a world model and MPCTs as a specific form of it that is increasingly gaining importance.

Given the fact that world society contains many of the dominant economic, political and social models³⁹ and due to the vital role of the market in humanitarian cash transfers, especially in multipurpose ones, I will embed my analysis in a wider reflection on the world market and its characteristics. In the first section, market capitalism as well as the phenomenon of globalization will be briefly presented alongside with a summary of recent tendencies in the international humanitarian system. The strengths and weaknesses of these global phenomena will be demonstrated and taken into account when assessing the objectives and results of MPCTs.

Hypotheses

Following the theoretical framework of this thesis as described above, my hypotheses all build on the overall assumption that humanitarian IGOs and INGOs are important actors of globalization, operating within a global cultural order called “world society” which puts emphasis on the values of rationality, progress and individualism.

In this thesis, I argue that electronically transferred MPGs create significant risks for beneficiaries, basing this argument on six hypotheses that I will verify in the upcoming sections:

³⁴ MEYER John W., BOLI John, THOMAS George M., RAMIREZ Francisco O., “World Society and the Nation State”, *American Journal of Sociology*, 1997, vol. CIII, n°1, pp. 144-81, here: p. 149.

³⁵ Cf. Ibid.

³⁶ MEYER John W. et al., “World Society and the Nation State”, p. 145.

³⁷ MEYER John W., “The world polity and the authority of the nation-state”, in BERGESEN A. (Ed.), *Studies of the modern world system*, New York: Academic Press, 1980, pp. 109-137, here: p. 117.

³⁸ MEYER John W. et al., “World Society and the Nation State”, p. 168.

³⁹ Cf. Ibid., p. 154.

1. The MPCT agenda is mainly pushed forward by IGOs and INGOs as well as by the main donors of international humanitarian aid. It is therefore based on the ideal types of world society.
2. The concerns about effectiveness and efficiency primarily target the donors and risk resulting in dangerous trade-offs at the expense of beneficiaries.
3. The conceived empowering benefits for beneficiaries are of a purely economic nature.
4. Completely monetarizing aid leads to a considerable reliance on third parties and disconnects humanitarians from the end effects of their aid.
5. Considering the rise of technological solutions, notably electronic delivery systems, the freedom and empowerment humanitarian cash programming organizations pretend to provide beneficiaries with might be compromised by the risks resulting from real-time financial tracking.

Methodology

Understanding the outcomes and potential impacts of MPCTs on beneficiaries, notably regarding their empowerment, requires an analysis of the assumptions underlying the benefits of MPGs and the ideas that are finally put into practice. Comparing the solutions proposed in policy documents with the solutions applied in programs will reveal the priorities, which are important to bring to light for grasping the implications for beneficiaries. This thesis will be divided into three major parts: a context part (section I), an analytical part (section II and III) and an interpretative part (section IV).

The first section of this thesis relies on a thorough review of literature on the history of the international humanitarian system and the global market economy, including its primary concepts and elements, as well as on studies and other publications about the current problems and challenges of the international humanitarian system.

The second section focuses on the ideas behind MPCTs and draws on policy documents. After a brief description of MPCTs and an overview over the main actors contributing to this type of programming, the introductory pages and overall context descriptions of nine documents – annual reports and policy papers – are screened in order to detect the problems defined by four different types of humanitarian actors. The problems are categorized and structured within a table, which the reader can find in the annexes (Annex 2, 1.1 “Frame of problems”). The four most indicated categories of problems are then used as structuring points for the analysis of the ideas behind MPCTs, which tries to answer the question of how these are thought to contribute to the solution of the international humanitarian system’s main problems. The analysis mainly considers publications of the Cash Learning Partnership (CaLP), which reunites a great variety of the largest INGOs, IGOs and donors in the humanitarian sector.

In the third section, the evaluation and monitoring reports of six case studies will be analyzed concerning their compliance with the aims and assumptions expressed in the examined policy documents. At least one evaluation or monitoring report per program is screened in regard to its positive and negative or disappointing results. Given that all reports were written during a program implementation or immediately after its end, this thesis will not be able to provide concrete information on the programs’ long-term results, called “impacts”.

Eventually, building on the findings of sections II and III, the last section will assess to what extent beneficiaries are empowered or not by MPCT programs and what are the factors that prevent their empowerment or even expose them to more risks.

A more precise definition of multipurpose cash transfers and its different modalities will be given in section II.

Section I: Context

The first section of this thesis will provide my analysis with important background information on the theoretical framework of international humanitarian action. Therefore, the first subchapter explains what “international humanitarian system” stands for and gives an insight into the formation and evolution of it. This brief historical summary will illustrate the inherent flaws of the system’s decision-making processes as well as its changing operational contexts. Due to the fact that electronically transferred MPGs rely on the functioning and regulation of markets, providing beneficiaries with spending capacity and sometimes aiming at their long-term financial inclusion, it is indispensable to understand the characteristics and origins of today’s global economy. Therefore, chapter 1.2 gives an insight into the principles, characteristics as well as into the dimensions of global capitalism and presents some critiques of it. Given the thesis’ restricted number of pages, detailed historical information for this chapter has been put into the annexes. Chapter 1.3 will then pay attention to the evolution of cash transfers in humanitarian action, showing which considerations and events have pathed the way to the use of MPCTs.

1.1 The international humanitarian system

The English word *humanitarian* goes back to the nineteenth century and designates advocates of human welfare acting on the grounds of “a concern for the whole of mankind”⁴⁰. The term encompasses religious ideas and ideals, such as the Christian charity⁴¹ or the Islamic *zakat*⁴², as well as the Enlightenment’s cosmopolitan vision of a common humanity irrespective of culture, social status, religion or race.⁴³ The historian Johannes Paulmann distinguishes between three periods of humanitarianism: a period of imperial humanitarianism (1800-1945); a period of neo-humanitarianism (1945-1989) and one of liberal humanitarianism (1989-present). In the first fraction of time, the compassion and concern for “human mankind” expressed itself in the desire of Western and Christian civilization to “civilize the inferior races”⁴⁴. Humanitarian aid thus integrated the “idea of a civilizing mission”⁴⁵. Although governments were giving important incentives, they only played an indirect role in relief activities until World War I. Up

⁴⁰ DAVIES Katherine, *Continuity, change and contest. Meanings of ‘humanitarian’ from the ‘Religion of Humanity’ to the Kosovo war*, London: Overseas Development Department, 2012, 31p., here: p. 3.

⁴¹ *Charity* generally designates a love of humankind and is symbolized by the story of the good Samaritan as well as by the life and death of Jesus.

⁴² *Zakat* is one of the Five Pillars of Islam as well as the second element of Islamic charity. It means “almsgiving” and implies the obligation to help others.

⁴³ Cf. DAVIES Katherine, *Continuity, change and contest. Meanings of ‘humanitarian’ from the ‘Religion of Humanity’ to the Kosovo war*, p. 3.

⁴⁴ Quote of Jules Ferry taken from COYNE Christopher J., *Doing Bad By Doing Good. Why Humanitarian Action Fails*, p. 31.

⁴⁵ PAULMANN Johannes, “Conjectures in the History of International Humanitarian Aid during the Twentieth Century”, *Humanity Journal*, 2013, vol. IV, n°2, pp. 215-238, here: p. 221.

to this point, humanitarian aid was mainly carried out by private associations.⁴⁶ The constitution of an internationally operating humanitarian system started in the second half of the nineteenth century, when charity and philanthropy ceased to be a mainly local endeavor directed towards compatriots. An important event in this process was the foundation of the International Committee of the Red Cross (ICRC) in 1863. Against the background of the considerable impact of industrialization on warfare, especially mobility and increased human losses, the ICRC's founding father, Henri Dunant, lobbied for an international treaty that would regulate warfare by imposing an obligation to care for all wounded soldiers. At his initiative, several European states signed the first Geneva Convention in 1864, committing to the humane treatment of wounded soldiers in the field.⁴⁷ The ICRC was given a formal mandate to "provide neutral and impartial assistance to civilian and military victims of conflict under the organization of national Red Cross Committees"⁴⁸. From its beginning, the international aid organization emphasized the responsibility of each government or official authority to "safeguard the health and physical well-being of its own people"⁴⁹, considering private, non-profit agencies as important supplements and contributors to this endeavor.⁵⁰ Therewith, the ICRC laid the foundation for an institutionalized humanitarian system, in which private, non-governmental organizations cooperate with governments and their agencies in the effort to alleviate human suffering on the basis of standardized norms.⁵¹ The modern, contemporary humanitarian system evolved between the beginning of World War I and the end of World War II. Save the Children (SC; United Kingdom), for example, was founded in the course of the British naval blockade of Germany and Austria-Hungary, campaigning against the blockade's devastating consequences. The United Nations High Commissioner for Refugees (UNHCR), founded in 1951, is a successor of the High Commissioner for Russian Refugees, which the League of Nations – the predecessor of the United Nations - had established in 1920 in order to provide assistance to those who had been displaced in the course of the Russian Revolution. In the context of World War II, numerous well-known organizations like Oxfam (United Kingdom), CARE (United States of America) and Catholic Relief Services (United States of America) emerged.⁵² As far as the period between the end of World War II and 1989 is concerned, Johannes Paulmann speaks of a neo-humanitarianism and identifies the Cold War as well as the process of decolonization as influential factors for this period's humanitarianism. While Cold War politics gave rise to the "extension of welfare commitments to a greater number of populations"⁵³, decolonization created an "institutional vacuum" in the former colonies, which international (non-)governmental organizations started to fill.⁵⁴ In addition to the many

⁴⁶ Cf. PAULMANN Johannes, "Conjectures in the History of International Humanitarian Aid during the Twentieth Century", pp. 221-222.

⁴⁷ Cf. DAVEY Eleanor, BORTON John, FOLEY Matthew, *A history of the humanitarian system. Western origins and foundations*, London: Overseas Development Institute, 50p, here: pp. 5-6.

⁴⁸ RYSABACK-SMITH Heather, "History and Principle of Humanitarian Action", *Turkish Journal of Emergency Medicine*, 2015, vol. XV, supplement 1, pp 5-7, here: p. 6.

⁴⁹ ANDERSON Chandler P., "The International Red Cross Organization", *The American Journal of International Law*, 1920, vol. XIV, n°1/2, pp. 210-214.

⁵⁰ Cf. Ibid.

⁵¹ Cf. SEZGIN Zeynep, DIJKZEUL Dennis (Eds.), *The New Humanitarians in International Practice. Emerging actors and contested principles*, London/New York: Routledge, 2016, 373p., here: p. 145.

⁵² Cf. COYNE Christopher J., *Doing Bad By Doing Good. Why Humanitarian Action Fails*, Stanford: Stanford University Press, 2013, 258p, here: p. 33.

⁵³ PAULMANN Johannes, "Conjectures in the History of International Humanitarian Aid during the Twentieth Century", p. 222.

⁵⁴ Cf. Ibid.

organizations created during the wars, around 200 new relief organizations, mainly created in the United States, appeared between 1945 and 1949.⁵⁵ However, it was especially the foundation of the United Nations in 1945 and of its multiple implementing agencies which had a significant impact on the formation of the modern humanitarian system. Ratified by the five victorious powers forming the permanent members of the UN Security Council until today⁵⁶, the UN Charter was initially backed by fifty countries and was complemented by a series of normative documents, which form the basis of contemporary humanitarian action.⁵⁷ With the adoption of the Universal Declaration of Human Rights in 1948, for instance, the United Nations established an international human rights law which not only addresses human rights abuses during international conflicts but also during peace time and civil wars.⁵⁸ These universal human rights are invoked by IGOs and INGOs around the globe and constitute an integral part of their rationale. With the commitment of several dozens of states to safeguard the fundamental rights of all people, compassion, as the driving motor of humanitarian action, became attached to the universal idea of humanity and the focus shifted from mainly European beneficiaries to people in need worldwide.⁵⁹ Yet, limited by the world's divide in a 'first world' capitalist and a 'second world' communist camp as well as by the unconditional respect of state sovereignty anchored as a principle by the UN Charter, humanitarian efforts increasingly concentrated on the so called 'third world', where the artificial borders established in the course of decolonization resulted in the formation of many weak states with fragile political institutions.⁶⁰ Ambitions turned from the alleviation of suffering in a war to economic development, blurring more and more the lines between short-term and long-term relief. As the United Nations valued economic development as essential for global stability, the eradication of poverty became a goal for states.⁶¹ Therefore, many developed countries created their own agencies for development and humanitarian assistance, which, nevertheless, channeled their funds mainly through NGOs.⁶² The governance of the emerging global economy was confided to the 1944 established Bretton Woods Institutions, especially to the International Monetary Fund (IMF) and the World Bank Group, which have become important creditors for states as well as for aid organizations⁶³ over the years.⁶⁴ Eventually, the end of the Cold War heralded the present era of a "liberal humanitarianism", which is characterized, according to Paulmann,

⁵⁵ Cf. BORTON John et al., *A history of the humanitarian system. Western origins and foundations*, p. 10.

⁵⁶ Until 1971, the Republic of China (Taiwan) represented the country in the UN Security Council although it was expelled from the mainland by the Communist Party in 1949, governing henceforth only the island of Taiwan. It took 22 years for the United Nations to admit the People's Republic of China and to expel the Republic of China. This long denial of the former can be explained by an unwillingness to accept a Communist government in the Security Council.

⁵⁷ Cf. BORTON John et al., *A history of the humanitarian system. Western origins and foundations*, p. 9.

⁵⁸ Cf. *The Foundation of International Human Rights Law*, New York: United Nations, <http://www.un.org/en/sections/universal-declaration/foundation-international-human-rights-law/index.html> [15.01.2018].

⁵⁹ Cf. PAULMANN Johannes, "Conjectures in the History of International Humanitarian Aid during the Twentieth Century", p. 222.

⁶⁰ Cf. BORTON John et al., *A history of the humanitarian system. Western origins and foundations*, p. 10.

⁶¹ Cf. Ibid.

⁶² Cf. COYNE Christopher J., *Doing Bad By Doing Good. Why Humanitarian Action Fails*, p. 37.

⁶³ The financial assistance provided by the IMF or the World Bank to aid organizations mainly concerns development aid. Nevertheless, with the increasing emphasis on the humanitarian-development nexus, the World Bank, for example, has committed itself to cooperate more with the humanitarian community (see: <http://www.worldbank.org/en/news/feature/2014/12/30/humanitarian-development-nexus-world-bank-group-stepping-up-its-support-to-crisis-and-disaster-risk-management>).

⁶⁴ Cf. *Humanitarian and Disaster Relief*, Washington DC: International Monetary Fund, 28.07.2017, <https://www.imf.org/external/np/cpac/relief.htm> [22.01.2018].

Cf. ODUHA Joseph, *World Bank gives South Sudan \$50 million humanitarian aid*, Nairobi: The East African, 12.09.2017, <http://www.theeastafrican.co.ke/news/World-Bank-gives-South-Sudan-humanitarian-aid-/2558-4093448-12ty0buz/index.html> [22.01.2018].

by a “search for liberal peace [...] [that is] endangered by human security issues triggered by failed states”⁶⁵. With the end of the bipolar system that had dominated the world for four decades, the decision-making abilities of the Security Council were revitalized. Endowed with the charge of determining a threat to international peace and security and of mobilizing the measures determined in Chapter VII of the UN Charter once such a threat has been identified, the Security Council expanded the agenda of the United Nations by adopting a wider definition of what constitutes such a threat. In addition, the Security Council’s emphasis on the importance of human rights protection led to an increase in activities justified by humanitarian reasons.⁶⁶ In the sequel, humanitarian aid became “the North’s principal means of political crisis management in a now marginal South”⁶⁷ that was plagued by an increasing number of armed conflicts. The disengagement of both superpowers confronted humanitarians with a proliferation of transnational and, especially, internal conflicts. Besides a growing number of armed and protracted conflicts, they were also facing an increasingly competitive aid sector as the number of nongovernmental relief organizations almost doubled in the Northern hemisphere alone from 1600 to 2970, making a coordination of efforts more and more important.⁶⁸ Therefore, the 1990s also marked the beginning of a series of reforms aimed at improving or strengthening humanitarian effectiveness. In the early 1990s, the fundament for the current international humanitarian coordination system was laid by the General Assembly resolution 46/182, which confided the leadership role in emergency responses to the UN’s Secretary General.⁶⁹ To this end, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) as well as the Inter-Agency Standing Committee (IASC) were established in order to coordinate the humanitarian efforts of UN and non-UN organizations. The IASC serves as a decision-making body that brings together UN agencies, INGOs, the World Bank as well as the International Organization for Migration (IOM). It is chaired by OCHA’s Emergency Relief Coordinator, who convenes the meetings with the heads of the committee’s member organizations and sets the agenda. Each year, the IASC determines a set of priorities.⁷⁰ For 2016 and 2017, these priorities were: “Effective Response to Emergencies and Protracted Crises”, “Accountability and Inclusivity”, “Displacement and Protection Outcomes”, and “Financing”.⁷¹ The UN-headed coordination mechanism was completed by the Humanitarian Reform Agenda in 2005, which launched the famous cluster approach. The latter organizes the coordination between relief organizations and other actors within the main fields of humanitarian action, each field led by one UN agency that functions as a provider of last resort.⁷² Another notable result of this reform was the establishment of the Central Emergency Relief Fund (CERF) that provides the Humanitarian Coordinator with a rapidly mobilizable initial funding for forgotten

⁶⁵ PAULMANN Johannes, “Conjectures in the History of International Humanitarian Aid during the Twentieth Century”, p. 222.

⁶⁶ Cf. COYNE Christopher J., *Doing Bad By Doing Good. Why Humanitarian Action Fails*, p. 38.

⁶⁷ DUFFIELD Mark, “Complex Emergencies and the Crisis of Developmentalism”, p. 42.

⁶⁸ Cf. MUNRO Alan, “Humanitarianism and conflict in a post-Cold War world”, *International Review of the Red Cross*, 1999, n°835, pp. 463-475, here: p. 468.

⁶⁹ Cf. *Resolution 46/182 about the strengthening of the coordination of humanitarian emergency of the United Nations*, New York: United Nations, 19.12.1991, A/RES/46/182 (1991).

⁷⁰ Cf. *OCHA on Message: Inter-Agency Standing Committee*, Geneva: OCHA, March 2012, http://www.unocha.org/sites/dms/Documents/120229_OOM-IASC_eng.pdf [04.02.2018].

⁷¹ Cf. *IASC Priorities*, Geneva: Inter-Agency Standing Committee, <https://interagencystandingcommittee.org/about-iasc/iasc-priorities> [04.02.2018].

⁷² Cf. *Cluster Coordination*, New York: United Nations Office for the Coordination of Humanitarian Affairs, <https://www.unocha.org/legacy/what-we-do/coordination-tools/cluster-coordination> [16.01.2018].

crises or rapid onset disasters.⁷³ Besides the need to better coordinate relief efforts, the call for a better cooperation with development actors became louder during the 1990s, against the background of large-scale displacements resulting from an increasing number of armed and protracted conflicts and failed states. In January 1999, the UNHCR alongside with the World Bank launched a conference hosted by the Brookings Institution to discuss and promote a better partnership between humanitarian and development actors. The conference's participants emphasized the importance of integrated planning, especially with regard to situations of protracted displacement, and stressed the need to promote resilience to future disasters and displacements.⁷⁴ The need to combine short-term relief with long-term development was further stressed in 2012 by the UN Secretary-General's *Agenda for Humanity*, in which the overcoming of the humanitarian-development divide is considered as an important shift to make in order to end need.⁷⁵ The agenda's five core responsibilities, which are similar to the priorities set by the IASC⁷⁶, and the 24 transformations required to achieve them were supported at the first WHS by representatives of 180 member states of the United Nations, of more than 700 local and international NGOs and of the private sector in May 2016.⁷⁷ Both the priorities of the IASC and the core responsibilities of the *Agenda for Humanity* reflect an important restructure of the international humanitarian system which now includes more and more non-traditional humanitarian actors, such as the military, the private sector, regional and local organizations as well as academics and non-OECD-DAC donors.⁷⁸

To summarize, the international humanitarian system is a loose network which is mainly composed of donor governments, the United Nations and their implementing organizations, the ICRC/the International Federation of the Red Cross and the Red Crescent (IFRC) as well as of INGOs. Until World War II it comprised a manageable amount of organizations, which were focused on humanitarian aid and "guided" by the ICRC. During World War II and the subsequent Cold War, the main actors of the modern international humanitarian system emerged and developed their profile. Their efforts were increasingly supported by wealthy governments, which created specialized agencies for humanitarian and development aid. However, the superpower polarity paralyzed the United Nations as well as international relief organizations to some degree. With the end of the Cold War, the United Nations and their implementing organizations became more operational, gaining considerably in authority. In addition, non-traditional humanitarian actors, especially from the private sector, have become increasingly important over the years and are now well integrated in the actions of traditional humanitarian donors, agencies and organizations. In 2014, the international humanitarian system counted 4480 operational relief organizations as well as more than 450.000 professional

⁷³ Cf. *The Four Pillars of Humanitarian Reform*, Rome: Giovanni Rufini (Blogger),

http://www.terzomondo.org/library/essentials/The_humanitarian_reform-Four_Pillars.pdf [22.01.2018].

⁷⁴ *Internal Displacement and Development Agendas: A Roundtable Discussion with Sadako Ogata*, Washington DC: The Brookings Institution, 14.05.2013, <https://www.brookings.edu/wp-content/uploads/2013/05/Brookings-IDP-Roundtable-with-Sadako-Ogata-May-14-2013.pdf> [16.01.2018].

⁷⁵ Cf. *One humanity: shared responsibility. Report of the Secretary-General for the World Humanitarian Summit*, New York: United Nations, 02.02.2016, A/70/709 (2016).

⁷⁶ Notably "Global leadership to prevent and end conflict", "Uphold the norms that safeguard humanity", "Leave no one behind", "Change people's lives – from delivering aid to ending need", "Invest in humanity".

⁷⁷ Cf. *One humanity: shared responsibility. Report of the Secretary-General for the World Humanitarian Summit*, New York: United Nations, 02.02.2016, A/70/709 (2016).

⁷⁸ Cf. SEZGIN Zeynep, DIJKZEUL Dennis (Eds.), *The New Humanitarians in International Practice. Emerging actors and contested principles*, p. 145.

humanitarian aid workers, handling a budget of \$25 billion.⁷⁹ The variety of actors and their diverging mandates made a better coordination vital for the system's functioning. Hence, since the 1990s, the humanitarian sector faces many reforms regarding its effectiveness, some of which have been presented above.

The "humanitarian aid industry"⁸⁰ is subject to diverse criticisms, some of which are worth mentioning for the purpose of this thesis' analysis. As depicted earlier, the international humanitarian system emerged within the framework of the twentieth century's two world wars, both of which started on European soil. The system's largest organizations were founded in response to the events in Europe and the great majority of them originates either from a European country or from the United States of America (USA). In absolute cash terms, the four largest humanitarian donors are the USA, the European Commission, Germany and the United Kingdom. Only two of the ten largest humanitarian donors do not represent Western countries.⁸¹ As far as the United Nations are concerned, history as well as power relations are reflected until today in the Security Council. Hence, the five permanent members of the UN's Security Council are the five victorious powers of World War II, which are endowed with an important veto power that makes it possible for one single member to block a decision backed by the rest of the UN member countries.⁸² A democratic deficit is also lamented in the case of the voting powers within the IMF and the World Bank organizations. As each country's voting power depends on the size of its national economy, rich countries have significantly more decision-making power. This leads to the paradox of "a majority of rich countries determin[ing] policies that mainly affect poor and middle-income countries"⁸³. The fact that the decision-making power within these organizations still does not reflect the reality of more than half of the world's population living in developing countries raises a doubt on their legitimacy. Besides the flaws in the system's structure, there are some critical voices scrutinizing the rationale of humanitarian action as well as the presumable success of humanitarian reforms. In a 2008 published report about the Humanitarian Reform Agenda's impact, five authors of the Humanitarian Practice Network (HPN) came to the conclusion that the reforms of 2005 indeed represent a good attempt to overcome gaps in humanitarian assistance and to improve it thereby, but that they "have only reluctantly been accepted, even within the UN system"⁸⁴. Despite the reform's hesitant implementation, the authors showed themselves alarmed about an "extension of integrated UN missions, whose structure and activities aim to align political, military and aid objectives"⁸⁵. This extension would result in "an environment conducive to the breaching of

⁷⁹ Cf. FOLEY Matthew (ed.), *Doing cash differently. How cash transfers can transform humanitarian aid*, London: Overseas Development Department, 2015, 42p.

⁸⁰ Term used as a synonym for the humanitarian aid sector by various researchers, journalists and bloggers.

⁸¹ Cf. PARKER Ben, *The biggest donors of 2016*, Geneva: IRIN, 20.12.2016, <https://www.irinnews.org/maps-and-graphics/2016/12/20/biggest-donors-2016> [16.01.2018].

⁸² Cf. *The Un Security Council*, Washington DC/New York: United Nations Foundation, <http://www.unfoundation.org/what-we-do/issues/united-nations/the-un-security-council.html> [15.01.2018].

⁸³ DIJKSTRA Geske, "Supranational Governance and the Challenge of Democracy: The IMF and the World Bank", in BEKKERS Victor, DIJKSTRA Geske, EDWARDS Arthur, FENGER Menno (Eds.): *Governance and the Democratic Deficit: Assessing the democratic legitimacy of governance practices*, Farnham: Ashgate Publishing, 2007, 319p, pp. 269-292, here: p. 269.

⁸⁴ DERDERIAN Katharine, STOBBAERTS Eric, SINGH Lesha, ROCHA Simone, MELODY David, *UN humanitarian reforms: a view from the field*, London: Overseas Development Institute, July 2008, <https://odihpn.org/magazine/un-humanitarian-reforms-a-view-from-the-field/> [23.01.2018].

⁸⁵ Ibid.

humanitarian principles of independence, impartiality and neutrality”⁸⁶. More precisely, the authors of this study consider the complementarity of humanitarian relief organizations and their mandates to be endangered by the introduction of coordination (clusters) and funding (CERF) tools whose aim is to increase coherence under the leadership of the United Nations. Both funding and coordination tools lack accountability and regular evaluation. Moreover, they are not exempt from political interests, a fact that Derderian et al. illustrate with the example of CERF-funded infrastructure and rehabilitation projects in Port-au-Prince’s insecure areas in 2006. These projects were funded in the moment, in which the United Nations Stabilisation Mission in Haiti (MINUSTAH) was trying to gain control of these areas. Similar coincidences happened in the same year in the Ivory Coast. In addition to these apparent political considerations in the disbursement of funding, Derderian et al. criticize the ineffectiveness of the reforms. According to their findings, the cluster approach has not achieved to bundle coordination efforts. Instead, it has resulted in a “proliferation of coordination platforms”⁸⁷. Eventually, the leading role of UN organizations is suspected to increase NGO dependence on UN or donor strategies. This dependence could have negative effects on potential beneficiaries in strategically less interesting regions for donors and the UN system, as NGOs would be unable to intervene there. The report concludes that “the reforms threaten the diversity, complementarity and independence of humanitarian action”⁸⁸. A thorough critique of the entire rationale behind humanitarian action is delivered by the US economist Christopher Coyne. In his book *Doing Bad By Doing Good - Why Humanitarian Action Fails*, he analyses humanitarian action from an economic perspective, comparing the functioning of the nonmarket and bureaucratic humanitarian sector with that of a free market economy. The main problem, according to Coyne, is the tendency of humanitarian actors to strive for more than they can possibly achieve. While it is feasible for relief organizations to provide people in need with, for example, food or water, their aim to eradicate poverty goes beyond the scope of their operational possibilities. This lack of capacity is not only linked to the limited time and resources of their operations but also to what he calls the “planner’s problem”. Humanitarian resources are allocated outside of markets through “central planning”, meaning that “a single overarching plan developed by whoever is designated as the central planner(s)” replaces “the plans of many dispersed individuals”⁸⁹ interacting as buyers and sellers on markets. As a central planner only disposes of a limited knowledge and lacks appropriate feedback mechanisms, the planning constantly fails to provide people with goods and services that they most value. What is more, the allocation of humanitarian resources, and consequently the response to need, is biased by several factors. First, as most organizations are dependent on institutional funding, the allocation of humanitarian resources often depends on “the interests and influences at work in the political process in both the donor and recipient countries”⁹⁰. This results in strategically interesting regions and countries attracting more funds from governmental donors than strategically meaningless areas of the world, as well as in recipient countries allocating aid money according to a region’s importance in elections, for example. Second, Coyne deplores

⁸⁶ DERDERIAN Katharine, STOBBAERTS Eric, SINGH Lesha, ROCHA Simone, MELODY David, *UN humanitarian reforms: a view from the field*, London: Overseas Development Institute, July 2008, <https://odihpn.org/magazine/un-humanitarian-reforms-a-view-from-the-field/> [23.01.2018].

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ COYNE Christopher J., *Doing Bad By Doing Good. Why Humanitarian Action Fails*, p. 64.

⁹⁰ Ibid., p. 104.

that organizations are incentivized by their donors to spend their total budget in order to secure future funds of the same amount, no matter if the remaining money can be effectively spent. Third, the bureaucratic apparatus of organizations tends to increase at a steady pace, significantly enlarging the administrative staff. According to Coyne, the augmentation of the so-called “compliance side” goes at the expense of the “programmatic side” as those carrying out the projects “must dedicate significant resources to complying with an ever-growing list of bureaucratic rules”⁹¹. This phenomenon not only affects large agencies but also smaller and local ones which rely on funds from larger entities and which therefore need to comply with the larger entity’s standards. However, the most significant problem remains the mentality of a “central planner”, meaning the view that the “right plan, people, and resources”⁹² can accomplish everything one desires to do. Success often means the accomplishment of a predetermined quantity of goods and services delivered, implying that a program was effective because 2000 packages of food, for example, have been distributed timely. Thus, programs are evaluated according to quantitative measures, leaving qualitative measures out. Coyne gives the example of Oxfam International’s report *21st Century Aid*, which tries to prove the organization’s success by presenting numbers without contextualization or further information. From this perspective, the report comes to the conclusion that more resources are the key to future success of humanitarian action. But as the figures show⁹³, the budget for international humanitarian aid has risen steadily in the past years. For Christopher Coyne, the problem of aid does not lie in a lack of resources but represents a problem of mentality. Free markets under the auspices of the so-called *invisible hand* would be more appropriate than central planning for the allocation of resources.⁹⁴

The next subchapter will take up Christopher Coyne’s hypothesis of a better allocation of humanitarian resources through markets by giving an insight into the evolution and characteristics of today’s global economy.

1.2 Origins and characteristics of the global economy

*People usually forget that modern charity is a function of capitalism. That’s why people in the UK think of charity primarily in terms of giving money: the charity sector we have today, and particularly overseas assistance, only became possible once people had accumulated enough excess capital to be able to put it somewhere.*⁹⁵

If one tries to understand the risks and challenges of humanitarian action today, he needs to put aid efforts into a broader economic and socio-political context. As the dominant economic system worldwide, capitalism considerably shapes our societies, conveying a rationale for public as well as for private life. The quote from the Guardian’s humanitarian consultant Paul Currian emphasizes the fact that charities are not an exception but are, voluntarily or not,

⁹¹ COYNE Christopher J., *Doing Bad By Doing Good. Why Humanitarian Action Fails*, p. 109.

⁹² Ibid, p. 110.

⁹³ Cf. *Global Humanitarian Assistance Report 2017*, Geneva: ReliefWeb (OCHA), 21.06.2017, <https://reliefweb.int/report/world/global-humanitarian-assistance-report-2017> [23.04.2018].

⁹⁴ Cf. COYNE Christopher J., *Doing Bad By Doing Good. Why Humanitarian Action Fails*, pp. 64-119.

⁹⁵ CURRIAN Paul, *Blame capitalism, not corrupt aid, for fat cat charity chiefs*, London: The Guardian, 15.01.2017, <https://www.theguardian.com/global-development-professionals-network/2017/jan/15/blame-capitalism-not-corrupt-aid-for-fat-cat-charity-chiefs> [05.01.2018].

complying with the dominant economic ideas. This subchapter will briefly outline the history of capitalism and its characteristics as well as its influences on the aid sector.

In his 2014 publication of the history of capitalism, the historian Jürgen Kocka describes this political and economic system as a worldwide phenomenon, whose characteristics and principles he summarizes in three parts. First, capitalism relies on “individual property rights and decentral decision-making”⁹⁶ as well as on individual responsibility. In this case, “individuals” not only refer to single persons but also to groups, firms or unions. Second, economic actors are coordinated by “markets and prices, by competition and cooperation, by supply and demand, by the purchase and sell of goods [translation]”⁹⁷. A vital aspect here is that “resources, products, functions and chances [translation]”⁹⁸ are commodified, meaning that they become purchasable goods and services. Third, as its name already indicates, capital is essential for a capitalist economy. At this point, the historian points to a future-oriented mentality, which is constitutive of capitalism: Savings and earnings are invested and reinvested **in the present** in order to obtain advantages **for the future**. To do so, a capitalist economy grants access to credits, accepts profit as well as accumulation of wealth with the prospect of generating growth. Important in this endeavor are the reduction and control of risks over time. Furthermore, he recognizes that enterprises are notable manifestations of capitalist principles and represent spaces where the different economic actors interact. They are independent from the state and other social institutions, deriving from the first named principle of private property. Kocka underlines that it is only possible to speak of a capitalist system when the dominance of capitalist principles goes beyond the economic sphere, influencing social life.⁹⁹ According to Jorge Alberto Chavez Rojas, this is exactly the case. He notices in his PhD thesis that “capitalism is spreading through the world at a stunning pace and is infiltrating more and more aspects of people’s lives”¹⁰⁰. However, capitalism is only a larger term for a whole variety of different economic practices, of whom the first can be traced back to the Middle Ages. These practices have the above-mentioned characteristics and principles in common but differ in their dimension. Kocka distinguishes three different eras of capitalism: an era of *merchant capitalism* (*Kaufmannskapitalismus*) going from the Middle Ages to the Early Modern Ages and originating from China and the Arab dominated Indian Ocean, an era of expansion during the colonial times with the establishment of a global trade system under Western European leadership, and an era of “modern” capitalism starting at around 1800. A brief historic summary of the evolution of capitalism can be found in Annex 1. For this thesis, only the ideas and characteristics of the third era are relevant, although the establishment of the global trade system in the context of colonization represents an important aspect that should be taken into consideration.

Capitalism in its modern form was forged during the time of Enlightenment, at the end of the eighteenth century. Against the background of the many destructive wars of their time, philosophers like Spinoza, Hobbes and Locke tried to elaborate a peaceful civil society with

⁹⁶ KOCKA Jürgen, *Geschichte des Kapitalismus*, München: C.H. Beck, 2014, 144p, here: p. 20.

⁹⁷ KOCKA Jürgen, *Geschichte des Kapitalismus*, p. 20.

⁹⁸ Ibid.

⁹⁹ Cf. Ibid., pp. 20-22.

¹⁰⁰ ROJAS Jorge Alberto Chavez, *The impact of capitalism and materialism on generosity: a cross-national examination*, PhD (Doctor of Philosophy) thesis, Iowa City: University of Iowa, 2014, 149p, here: p. 22.

new virtues within a framework of human rights, freedom and prosperity. Montesquieu designated trade as “a civilizing force that contributes to overcome barbarism, to tame aggressions and to refine customs [translation]”¹⁰¹. Numerous intellectuals – mainly French, Dutch and English ones – agreed with the French philosopher, believing in a common good guaranteed by the responsible pursuit of one’s own interests. Markets were considered a peaceful alternative to war, providing a possibility to promote individual interests in a non-violent way as well as virtues such as discipline, diligence and perseverance. *Market capitalism* was not only thought to bring prosperity but also to order human cohabitation in a new way, without the state exerting a strong influence. Freedom and individual responsibility as well as the ability to appease conflicts by establishing compromises were highlighted. Adam Smith, who is known today as the founder of classic free market economic theory, presented his analysis of the capitalist economy in the 1776 published writing *An Inquiry into the Nature and Causes to the Wealth of Nations*.¹⁰² Although he was aware that a market economy could not function without a state capable of granting its population security by maintaining justice and the rule of law, as well as by enforcing private property rights, the Scottish economist firmly believed in the regulating force of competition and an individual’s self-interest. These two forces, classified by Smith as being impartial, comprise the famous *invisible hand*.¹⁰³ In other words, the interdependencies that a division of labor creates between people as well as the presumable interest of each and everyone to earn a living and eventually climb up the latter of success regulates individuals’ behavior in so far as they need each other to advance while at the same time motivating them to do more and better than their colleagues, relatives or friends. Smith believed that the synergy of a variety of self-interests would be in the interest of the whole society as production becomes more efficient. He further considered an economic system based on the self-interest of its subjects as beneficial for the management of scarce resources and a fair distribution of production results following the principle of “economic contribution and the willingness to pay [translation]”¹⁰⁴. Adam Smith’s free market economic theory constitutes the fundament for *neoliberalism*, a school of thought that has shaped numerous policies and global capitalism as a whole since the 1970s. Developed by an academic group of economists, philosophers and historians – the so-called Mont Pelerin Society - as a response to what they considered to be the flaws of capitalism, it first emerged in the United States of America and Great Britain, but rapidly spread around the globe after two of its representatives, Friedrich Hayek (1974) and Milton Friedman (1976), had won the award of the Nobel Prize in economics. In a paper published in 2016, three economists of the IMF defined *neoliberalism* as an agenda that aims to strengthen competition “through deregulation and the opening up of domestic markets, including financial markets, to foreign competition”¹⁰⁵ as well as to minimize the state apparatus by privatizing assets and services as well as by limiting the government’s

¹⁰¹ KOCKA Jürgen, *Geschichte des Kapitalismus*, p. 73.

¹⁰² Cf. KOCKA Jürgen, *Geschichte des Kapitalismus*, pp. 73-74.

¹⁰³ Cf. SMITH Adam, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Amsterdam/Melbourne/Lausanne/Milan/New York/ Sao Paulo: MetaLibri, 2007, 754p, here: pp. 349-350; p. 549pp.

¹⁰⁴ HARNISCH Olivier, *Ethische Rechtfertigung des Neuzeitlichen Kapitalismus*, Hagen: Fernuniversität Hagen, April 2001, 43p., here: p. 18.

¹⁰⁵ OSTRY Jonathan D., LOUNGANI Prakash, FURCERI Davide, “Neoliberalism: Oversold?”, *Finance & Development*, 2016, vol. LIII, n°2, pp. 38-41, here: p. 38.

ability to “run fiscal deficits and accumulate debt”¹⁰⁶. Adam Smith’s *invisible hand* is supposed to regulate the markets alone as

*“state decisions on matters of investment and capital accumulation were bound to be wrong because the information available to the state could not rival that contained in market signals.”*¹⁰⁷

Margaret Thatcher’s use of neoliberal solutions to fight recession in the 1970s exemplifies the considerable consequences of *neoliberalism* on society: Commitments of the welfare state were rolled back or even dismantled, social housing and numerous other public services were privatized, and trade unions were weakened. On the other hand, Thatcher’s reforms benefited entrepreneurs as they reduced taxes, encouraged entrepreneurial initiative and promoted a favorable business climate in order to bring foreign investments to the island.¹⁰⁸ This phenomenon of retreating states and the increasing transfer of control, as well as of fiscal presents to private enterprises can be observed since the 1970s in many countries of the world, and especially in international cooperation and trade. It can even be found in development aid, embedded in the so-called “aid conditionality”, which grants foreign aid in exchange for political and economic reforms in the recipient country. Carlos Oya remarks that

*“[...] aid flows to SSA [resource-rich countries in Sub-Saharan Africa] since roughly 1980 have been closely linked to policy reforms geared towards liberalisation, deregulation, state disengagement and privatisation of assets, productive units and utilities. This aid agenda was thus influenced by the obsession with inflation control, international financial stability and the debt crisis, which provided the platform for the revival of Neoliberalism as a global political and economic project in the 1980s”.*¹⁰⁹

According to the IMF, *neoliberalism* has promoted global trade and therefore helped to diminish extreme poverty around the globe. Foreign direct investments permitted developing countries to obtain technology and acquire new skills. In some cases, privatization of state enterprises provided more efficient services, at the same time lowering the financial burden for the government. Nevertheless, Furceri et al. criticize two neoliberal policies and their consequences, notably austerity and the unrestricted capital flows across borders, for having contributed to the negative result of rising inequalities, especially between countries. Concerning the effect of unrestricted capital flows across borders on national economies, he and his colleagues notice that

*“[s]ome capital inflows, such as foreign direct investment—which may include a transfer of technology or human capital—do seem to boost long-term growth. But the impact of other flows—such as portfolio investment and banking and especially hot, or speculative, debt inflows—seem neither to boost growth nor allow the country to better share risks with its trading partners”*¹¹⁰

In fact, since 1980, 150 increases in capital flows in 50 emerging market economies resulted in 20% of cases in a financial crisis.¹¹¹ For a long time, the World Bank as well as the IMF have forwarded neoliberal policies through structural adjustments in developing countries.¹¹² But

¹⁰⁶ OSTRY Jonathan D. et al., “Neoliberalism: Oversold?”, p. 38.

¹⁰⁷ HARVEY David, *A Brief History of Neoliberalism*, Oxford: Oxford University Press, 2005, 247p., here: p. 21.

¹⁰⁸ Cf. Ibid., pp. 15-23.

¹⁰⁹ OYA Carlos, *The Political Economy of Development Aid as Main Source of Foreign Finance for Poor African Countries: Loss of Policy Space and Possible Alternatives from East Asia*, Beijing: University of China, 2006, 42p, here: p. 16.

¹¹⁰ OSTRY Jonathan D. et al., “Neoliberalism: Oversold?”, p. 39.

¹¹¹ Cf. Ibid.

¹¹² Cf. DOANE Deborah, *Neoliberal policies have no place in the post-crash world*, London: The Guardian, 23.03.2011, <https://www.theguardian.com/global-development/poverty-matters/2011/mar/23/neoliberal-policies-discredited> [10.01.2018].

recent blog articles on the websites of both institutions show that these are now critically overthinking their own policies - although the article in question of the World Bank seems to deny its own neoliberal policies, limiting itself to a summary of the IMF's paper.¹¹³ In general, criticisms become louder as the contradictions and flaws of the neoliberal agenda become increasingly evident. Competition, for instance, is considered an important warrantor for the functioning of markets. However, although neoliberal theory stresses the market's ability to promote competition, the world increasingly becomes a witness of the consolidation of "oligopolistic, monopoly, and transnational power within a few centralized multinational corporations"¹¹⁴. The global financial crisis of 2008 even induced the former *Federal Reserve* chairman Alan Greenspan to partially admit that the free market ideology he and his colleagues followed feverishly was mistaken. Concerning the deregulation of the banking industry preceding the credit crunch that resulted in the devastating global crisis, Greenspan asserted that he had

" [...] made a mistake in presuming that the self-interests of organisations, specifically banks and others, were such that they were best capable of protecting their own shareholders and their equity in the firms. "¹¹⁵

The financial crisis of 2008 perfectly shows the vulnerabilities of a global economy and its diverging effects on countries. It also demonstrates the flaws of *neoliberal capitalism*. The rising social inequalities, the contradictions and the devastating effects of neoliberal policies and ideas on traditional societies have brought about many critical analyses of this economic trend. In the following, the most important critical thoughts for this thesis' topic are exposed.

The first critique concerns the ubiquity of the neoliberal ideology, which Simon Clarke describes as "deeply embedded in western thought as to have established itself as no more than common sense"¹¹⁶. Wendy Brown adds that it transforms every area of human life, reducing everything to economics given that "all spheres of existence are framed and measured by economic terms and metrics, even when those spheres are not directly monetized"¹¹⁷. The economization of human life is also the object of criticism amongst many anthropologists, who point to the fact that, while economic freedoms and economic zeal are stressed, forms of social solidarity and community are destroyed.¹¹⁸ Individualism and the accumulation of money are strongly opposed to values like sharing and community, consequently threatening feelings of belonging and cultural identity. Moreover, in countries with a fragile state and without a state-guaranteed social safety net, people striving for economic success and individual wealth are

¹¹³ Cf. COLFORD Christopher, 'Neoliberalism' and its excesses: After a sudden cloudburst of controversy, clear IMF insights on the 'disquieting' drawbacks of free-market dogma, 25.06.2016, Washington DC: The World Bank, <http://blogs.worldbank.org/psd/neoliberalism-and-its-excesses-after-sudden-cloudburst-controversy-clear-imf-insights-disquieting> [10.01.2018].

Cf. OSTRY Jonathan D. et al., "Neoliberalism: Oversold?", pp. 38-41.

¹¹⁴ HARVEY David, *A Brief History of Neoliberalism*, p. 80.

¹¹⁵ Quote of Alan Greenspan taken from CLARK Andrew, TREANOR Jill, *Greenspan – I was wrong about the economy. Sort of*, London: The Guardian, 24.10.2008, <https://www.theguardian.com/business/2008/oct/24/economics-creditcrunch-federal-reserve-greenspan> [10.01.2018].

¹¹⁶ CLARKE Simon, "The Neoliberal Theory of Society", in JOHNSTON Deborah, SAAD-FILHO Alfredo (Eds), *Neoliberalism: a critical reader*, London: Pluto Press, 2005, pp. 50-59, here: p. 50.

¹¹⁷ BROWN Wendy, *Undoing the Demos: Neoliberalism's Stealth Revolution*, New York: Zone Books, 2015, 296p., here: p. 10.

¹¹⁸ Cf. LAURENT Pierre-Joseph, *Une association de développement en pays mossi. Le don comme ruse*, Paris : Éditions Karthala, 300p., here : pp. 231-240.

confronted with a difficult decision: Either they pursue their own dreams and aspirations, or they stay safely in the community. Personal evolvement means freedom of conventions, but the latter are constitutive and necessary for the functioning of traditional communities. Pursuing the former means abandoning the latter, a cruel decision that often leads to immense psychological distress as shown by the anthropologist Pierre-Joseph Laurent in an article published in 2007, taking the example of cultural transformations experienced by a peasant group in Burkina Faso.¹¹⁹

A second critique concerns the management of enterprises, institutions and organizations. In their book *Virtue and Economy: Essays on Morality and Markets*, Andrius Bielskis and Kelvin Knight criticize that neoliberal ideals established values like effectiveness and efficiency as ends in themselves rather than as instruments to achieve a higher good, leading to tensions between institutions and practices.¹²⁰ Alexander Styhre speaks of an “audit practice”, where, instead of verifying the organization, efficiency and effectiveness are “constructed around the audit process itself”¹²¹. This process is based on the assumption that the effectiveness of an organization and the efficiency in its management can be measured. The form and content of measures destined to evaluate these factors is drawn from agreements between professionals about the qualities that both should have.¹²² In other words, there is no such thing as an objective measure. Furthermore, Styhre indicates the influence of “an economistic language of profit, efficiency, and consumption”¹²³ on the political vocabulary, slowly replacing terms like citizenship and solidarity. This change of language at the expense of social values is exemplified by terms like “welfare moms” or “indigent free riders” used, even by politicians, to name those not willing or able to comply with the prevailing market logic. Like a corporation, states seem to distinguish between valuable and non-valuable people in economic terms.¹²⁴

Two broader critiques of the consequences of *neoliberal capitalism* are Shoshana Zuboff’s concept of a *surveillance capitalism* and Antony Loewenstein’s *disaster capitalism*. Both critiques depict relevant problems for this thesis’ object of investigation.

In regards to the incredible prosperity and power of companies like Google and Apple, whose annual budgets largely exceed those of numerous states, the US economist Shoshana Zuboff announces a new species of capitalism “in which profits derive from the unilateral surveillance and modification of human behavior”¹²⁵. The possibility of real-time tracking as well as of an unlimited storage and analysis of data provides companies acting in the digital sphere with remarkable power, which Zuboff estimates to exceed state power. She alarms her readers about the exploitation of customers by the digital industry, which massively collects data about their

¹¹⁹ Cf. LAURENT Pierre-Joseph, *L’offre de guérison des Assemblées de Dieu du Burkina Faso. Un bricolage en train de se faire entre la société mythique et la modernité globalisée*, Paris : ethnographiques.org, 14.10.2007, <http://www.ethnographiques.org/2007/Laurent> [06.02.2018].

¹²⁰ Cf. BIELSKIS Andrius, KNIGHT Kelvin (Eds.), *Virtue and Economy: Essays on Morality and Markets*, London/New York: Routledge, 2016, 250p, here: p. 130.

¹²¹ STYHRE Alexander, *Management and Neoliberalism: Connecting Policies and Practices*, New York/London: Routledge, 2014, 241p., here: p. 159.

¹²² Cf. Ibid., p. 160.

¹²³ Ibid, p. 22.

¹²⁴ Cf. Ibid.

¹²⁵ ZUBOFF Shoshana, *The Secrets of Surveillance Capitalism*, Frankfurt am Main: Frankfurter Allgemeine Zeitung, 05.03.2016, <http://www.faz.net/aktuell/feuilleton/debatten/the-digital-debate/shoshana-zuboff-secrets-of-surveillance-capitalism-14103616-p9.html> [30.11.2017].

locations and destinations, their emotional state of being, their contents of communication and their behavior in general. The interviews that she has conducted with the executives of Silicon Valley companies, amongst others, show that the industry is not only satisfied with collecting all this data in order to offer customer-specific products and services, but even has the ambition of changing people's behavior.¹²⁶ This endeavor can already be observed in many available mobile applications, conceived for an individual's self-optimization.¹²⁷ Bringing the industry's almost unlimited access to people's data in connection with the problems inherent to *financial capitalism*¹²⁸ and its neoliberal interpretation, she describes *surveillance capitalism* as

*"[...] a novel economic mutation bred from the clandestine coupling of the vast powers of the digital with the radical indifference and intrinsic narcissism of the financial capitalism and its neoliberal vision that have dominated commerce for at least three decades, especially in the Anglo economies"*¹²⁹.

The increasing retreat of the state and the rise of corporate power, two phenomena triggered by neoliberal policies as mentioned above, are at the core of the industry's excesses. Just in 2016, Zuboff described the cyberspace as a "lawless space"¹³⁰ with highly unequal relations between providers and consumers – the latter remaining largely ignorant of the former's procedures. The consequences of this new "regime" on humanitarian aid in form of electronically transferred MPGs will be the object of section IV.

The journalist Antony Loewenstein presents a critique of capitalism that is specifically focusing on foreign aid, demonstrating the considerable profits private companies are generating with natural and man-made catastrophes. Loewenstein uses a term coined by Canadian journalist Naomi Klein who notes in her book *The Shock Doctrine: The Rise of Disaster Capitalism* that

"[...] privatization, government deregulation, and deep cuts to social spending are often imposed after megadisasters, man-made or natural, 'all before victims of war or natural disaster [are] able to regroup and stake their claims to what [is] theirs'. [...] Now wars and disaster responses are so fully privatized [...] that they are themselves the new market: there is no need to wait until after the war for the boom – the medium is the message".¹³¹

In his book *Disaster Capitalism: Making a Killing out of Catastrophe*, Loewenstein offers his observation of the increasing capitalist rationale within the development and humanitarian aid sector. He emphasizes the adverse effects that a retreat of the state exerts on foreign aid, culminating sometimes in a massive outsourcing of competencies and a chaotic chess play that undermines any accountability effort. The weakening of governments through rationalizing reforms leads to an ever-stronger reliance on the private sector for the provision of public services.¹³² While the cooperation with the private sector, in general, can be considered a necessity for government agencies to implement projects, the journalist's observation of mainly Western based companies being contracted puts the intention of helping the local population

¹²⁶ Cf. ZUBOFF Shoshana, *The Secrets of Surveillance Capitalism*.

¹²⁷ Cf. VON RUSCHKOWSKI Katharina, „Das optimierte Selbst“, *GEOKompakt*, 2017, n°50, pp. 136-144.

¹²⁸ Financial capitalism describes an economic and political system which is dominated, or at least heavily influenced, by financial institutions and financiers in general.

¹²⁹ ZUBOFF Shoshana, *The Secrets of Surveillance Capitalism*.

¹³⁰ ZUBOFF Shoshana, *The Secrets of Surveillance Capitalism*.

¹³¹ Quote of Naomi Klein taken from LOEWENSTEIN Antony, *Disaster Capitalism: Making a Killing Out of Catastrophe*, London/New York: Verso, 2015, 376p., here: pp. 6-7.

¹³² Cf. LOEWENSTEIN Antony, *Disaster Capitalism: Making a Killing Out of Catastrophe*, pp. 7-31.

considerably into question. The example of Haiti shows that at least the US government seems to see in another country's catastrophe a welcome opportunity to promote US business interests. Loewenstein mentions a diplomatic cable from February 2010, leaked by WikiLeaks in 2011, in which the US ambassador to Haiti of this time underlined the opportunities for US companies after the country's devastating earthquake, speaking of the beginning of a gold rush. The incoming foreign companies barely benefited the local population as Haitians were rarely involved in the decision-making processes and were even exploited as cheap labor forces and paid underneath the national minimum wage, by multinational textile companies, such as Walmart and Sae-A. CHF run 'cash for work' initiatives "were condemned by human rights groups as being akin to the payment of slave wages"¹³³ and the donors' preference for distributing their funds through their own NGOs and agencies did not help to foster the local institutions. Moreover, the influx of foreigners in the aftermath of the disaster culminated in a strong increase of housing prices, pushing Haitians out of the market as rents became only affordable for foreigners with a comparatively high income.¹³⁴

To conclude, one can notice that the wide and often unnoticed adoption of *neoliberalism* by all parts of society¹³⁵ is also affecting the humanitarian sector. Humanitarian practitioners are constantly confronted with the here-presented rationale in their working environments, acting, for instance, in countries that have been submitted to structural adjustments in recent years and working for organizations that depend on institutional funds¹³⁶. Thus, they have to arrange themselves in an environment strongly shaped by neoliberal or other free market economic policies. Further, the similarities between the characteristics of Meyer's "world society" and the values and principles of capitalism¹³⁷ are striking, although not astonishing. As capitalism has enabled the creation of the global economy (see Annex 1), it logically has influenced the rationale of globally acting people, institutions and organizations. MPCT programming illustrates this. Relying upon market assessments and providing beneficiaries with money for their own purposes, MPCTs involve two essential features of a capitalist free market economy, whose characteristics will be briefly presented in the following two subchapters.

1.2.1 The Market

A "market" is a physical or non-physical place destined to allocate goods and services. In a broader and more abstract sense, the term denominates all actors, infrastructures and procedures necessary to offer goods and services in exchange for money or barter as well as the existing and potential buyers and clients who constitute the demand. The demand determines the supply, offering a means of calculation for the expected value-added of a product or service. Whether a seller makes profit or losses with his offer depends on the spending capacity of existing and potential consumers or clients as well as on their disposition to buy, referring to the need or desire for a product. If the production cost of a product, for instance, exceeds the price for which it can be sold, the product will generate losses. However, if the need or desire for a product or

¹³³ LOEWENSTEIN Antony, *Disaster Capitalism: Making a Killing Out of Catastrophe*, p. 139.

¹³⁴ Cf. Ibid, pp. 117-140.

¹³⁵ STYHRE Alexander, *Management and Neoliberalism: Connecting Policies and Practices*, p. 43

¹³⁶ Cf. ISLAM Carolyn A., "Non-Governmental Organization Vulnerabilities: Donors and Resource Dependence", *CMC Senior Theses*, 2016, paper 1429, 72p.

¹³⁷ When speaking of capitalism, we understand the general definition of this economic and political system as presented on page 19.

service is high, buyers are ready to invest more, providing sellers with profits as the price of their offer exceeds their production costs. Thus, at the core of a market's adaptability lies the practice of calculation. The central role attributed to markets in the contemporary world has led to the description of modern capitalism as a *market capitalism*, also referred to as a (free) *market economy*. The market is considered to be the most important regulator of economic exchanges, guaranteeing a determination of prices for goods and services without the intervention of governments or central planners.¹³⁸

1.2.2 Money

Money is a key modality for the market and acts as a “common unit of calculation” to “capture the relative scarcity of different goods based on context-specific conditions”¹³⁹. Context-specific knowledge is provided to market actors through prices, which reflect the effort and the costs of production as well as the desirability of the goods in question. According to the economist Thomas Sowell, prices expressed in terms of money facilitate rapid information in the context of a global society that requires the coordination of a “fragmented knowledge”.¹⁴⁰ The exchange across borders and cultures is enabled by the abstract nature as well as by the instrumentality of today's money. Credit or debit cards and banknotes make money easily transportable and allow to express and convey considerable amounts of value in money terms. Due to its abstract nature and impersonality, money can be used for a sheer unlimited range of uses. Its advantage for an international, intercultural and interpersonal use is explained by the sociologist and philosopher Georg Simmel, who writes:

*“Money has that very positive quality which one designates with the negative concept of lack of character. It is of the essence of the person we term character-less that it does not allow itself to be controlled by the intrinsic, concrete worth of people, things, thoughts, but rather by the amount of power exercised on it by the existing circumstances. The feature of being detached from all specific contents and of consisting in pure quantity imparts to it and to the people who gravitate toward it the peculiar coloration of characterlessness”*¹⁴¹

Consequently, money is a completely rational means of exchange, rendering transactions possible without personal involvement or commitment. Further, it is purely quantitative and serves to express “numerically the interchangeability of things”¹⁴².

1.3 The rise of cash transfers in humanitarian contexts: From “food aid” to “food assistance”

Supplying the poor and needy with purchasing power to satisfy their needs is not a new approach or an idea that has popped up recently. Instead, cash assistance has already been provided in the nineteenth century by the American Red Cross during the Franco-Prussian War as well as by the British colonial administration responding to famine in India. Thus, cash is being provided by national actors as well as by international organizations in emergency

¹³⁸ Cf. COYNE Christopher J., *Doing Bad By Doing Good. Why Humanitarian Action Fails*, pp. 64-68.

¹³⁹ Ibid., p. 67.

¹⁴⁰ Cf. Ibid.

¹⁴¹ Quote of Georg Simmel taken from POGGI Gianfranco, *Money and the Modern Mind. Georg Simmel's Philosophy of Money*, Berkeley/Los Angeles/London: University of California Press, 1993, 228p., here: p. 142.

¹⁴² Cf. Ibid.

situations since more than a century.¹⁴³ What is new, though, is the systematical use of cash transfers in relief operations on a global level and its consideration as a “game changer” capable of improving the international humanitarian system’s effectiveness. At the core of the shift towards more cash transfers is the mounting criticism of the international food aid system as well as of the limits of in-kind assistance, which will be the object of the following two sub-chapters.

1.3.1 Food Aid

Against the background of rising food prices and shortages, the World Food Programme (WFP) revised its strategy in 2008 in order to better respond to needs. According to the organization itself, the Strategic Plan of 2008, valid for a period of five years, marked a “historical shift from WFP as a food aid agency to WFP as a food assistance agency”¹⁴⁴. This change in the strategy of the largest humanitarian organization specialized in food security was brought to a broader level in 2012, when the Food Aid Convention (FAC) was replaced by the Food Assistance Convention. The modification of the term was not only necessary to linguistically include new modalities in the allocation of humanitarian resources but also reflects a changing rationale. In this subchapter, I will briefly summarize what “food aid” means and what factors and thoughts led to the term “food assistance”.

The term “food aid” is subject to a definitional problem. As the US-American food aid analyst Christopher Barrett points out in his book *Food Aid After Fifty Years: Recasting Its Role*, the term is “commonly, but inaccurately, used to refer to the donation of food to recipient individuals and households”¹⁴⁵. However, following this definition, Western Europeans and Americans would represent a big proportion of aid recipients given their states’ school feeding programs or food stamps, for example. Barrett and Maxwell conclude from this possible misunderstanding of food aid in the context of humanitarian aid that neither the identity of the recipient nor the form of the transfer plays a role in defining the term. In lieu thereof, humanitarian food aid is characterized by its international sourcing and concessionality. More precisely, food aid describes the transfer of goods produced in the donor country to the respective recipient country and has always been tied to the political interests of donor countries.¹⁴⁶ Until the late 1950s, the USA – and to a smaller extent Canada – provided nearly all of the world’s food aid in the framework of their surplus disposal programs. The fundament of US. food aid, which is still valid although amended and complemented by other laws and policies since then, is the *Agricultural Trade Development and Assistance Act*, also known under its abbreviation PL480. Signed in 1954 by U.S. President Eisenhower, the law aims to “increase the consumption of United States agricultural commodities in foreign countries [and] to improve the foreign relations of the United States [...]”¹⁴⁷. It is supposed to “expand international trade among the United States and friendly nations”¹⁴⁸, promoting the American

¹⁴³ Cf. HARVEY Paul, BAILEY Sarah, *Cash transfer programming and the humanitarian system*, London: Overseas Development Institute, 2015, 6p., here: p. 2.

¹⁴⁴ *WFP Strategic Plan 2008-2013*, Rome: World Food Program, 31p., here: p. 1.

¹⁴⁵ BARRETT Christopher B., MAXWELL Dan, *Food Aid After Fifty Years: Recasting Its Role*, New York: Routledge, 2005, 331p., here: p. 5.

¹⁴⁶ Cf. *Ibid.*

¹⁴⁷ “Public Law 480 – Agricultural Trade Development and Assistance Act of 1954”, *United States Statutes at Large – vol. LXVIII*, 1954, pp. 454-459.

¹⁴⁸ *Ibid.*

agriculture's stability. Concessions in the form of a friendly attitude towards the donor are also expected from the recipient country in the case of emergency food aid, which is subject of the law's second title. "Friendly" in this period implied the adherence – or neutral attitude - of a country to the 'first' capitalist world.¹⁴⁹ In addition, another act passed in the same year, notably the Cargo Preference Act, obliges the respective organizations or institutions, mainly the United States Agency for International Development (USAID) and the Ministry of Agriculture, to transport a volume of minimum 50% - and since 2014 even 75% - of the food via US. freight lines.¹⁵⁰ Today, the law of 1954 is more commonly known as the Food for Peace program, a title it received through an amendment of the law in 1966. Between 1954 and 2004, around 106 million metric tons were sent from the USA to the world's hungry and needy under this program, making the USA the world's primary food aid provider.¹⁵¹ While the food aid policies of the USA and Canada turned around both countries' chronic food surpluses during the 1950s, this situation changed one decade later due to a considerable reduction of stocks that resulted in rising prices. For this reason, both countries started to insist on the participation of other industrialized countries, notably Japan and Western Europe, in the endeavor to supply food to those in need. Their insistence led to the negotiation of the first FAC in 1967, in which donor countries agreed on the contribution of 4.5 metric tons of grain annually. A Food Aid Committee was established to administer the FAC, comprising all donor countries and meeting twice a year in order to monitor the members' obligations as well as to examine the food situation in developing countries. The aid was destined primarily to developing countries and only one country classified as such, namely Argentina, acted as a donor in the agreement. Most of the aid provided under the umbrella of the 1967's FAC came in form of bilateral aid, but an ever-increasing part of it was channeled through the WFP. The quantity of the contributions was based on calculations taking into account the respective country's grain production and consumption as well as its per capita gross-domestic product (GDP).¹⁵² The FAC was renewed and adjusted five times between 1967 and 1999. Until 1999, the first Convention's basic objective of "carry[ing] out a food aid programme with the help of contributions for the benefit of developing countries"¹⁵³ was maintained and only minor changes concerning the predetermined quantity of food and the products which could be supplied under the FAC were added or changed. In other words, food aid mainly consisted in a transfer from the rich donor countries to the poor recipient countries under the terms and conditions of the former. Although mentioned as a possible alternative for in-kind food aid since the first FAC¹⁵⁴, donors remained reluctant to make cash contributions. Even if cash was provided, it only represented a small proportion of the aid distributed of the Conventions before 1999.¹⁵⁵ However, dwindling stocks on the side of donor countries, the contextual inappropriateness of predetermined food, the high costs of imported food aid, notably in comparison to local purchases, and the distortion of local

¹⁴⁹ Cf. Public Law 480 – Agricultural Trade Development and Assistance Act of 1954", *United States Statutes at Large* – vol. LXVIII, 1954, pp. 454-459.

¹⁵⁰ Cf. *Fact Sheet – Cargo Preference*, Washington D.C.: USAID, 2p, here: p. 1.

¹⁵¹ Cf. *Food for Peace. 1954-2004*, Washington DC: U.S. Agency for International Development, 2004, 16p, here: p.4. Cf. MURPHY Sophia, MCAFEE Kathy, *U.S. Food Aid: Time to Get It Right*, Minneapolis: Institute for Agriculture and Trade Policy, July 2005, 38p, here: p. 4.

¹⁵² Cf. PAROTTE J.H., "The Food Aid Convention: its history and scope", *IDS Bulletin*, 1983, vol. XIV, n°2, pp. 10-15.

¹⁵³ "International Grains Arrangement 1967", *United Nations Treaty Series*, 1970, vol. DCCXXVII, n°10455, <https://treaties.un.org/doc/Publication/UNTS/Volume%20727/volume-727-I-10455-English.pdf> [10.05.2018], pp. 198-227, here: p. 198.

¹⁵⁴ Cf. "International Grains Arrangement 1967", p. 200.

¹⁵⁵ Cf. PAROTTE J.H., "The Food Aid Convention: its history and scope".

markets as a consequence of the massive import of food fueled a mounting criticism of the approach that slowly resulted in a changing rationale.¹⁵⁶ Following the Declaration on World Food Security and the adoption of the Plan of Action by the 1996 World Food Summit in Rome as well as following the changing food aid policies of donor countries, the 1999 Food Aid Convention's objective changed and became more ambitious. It now aimed "to contribute to world food security and to improve the ability of the international community to respond to emergency food situations and other food needs of developing countries"¹⁵⁷. Therefore, food aid in emergency contexts should be provided in regard to longer-term rehabilitation and in respect of the development objectives pursued by the recipient countries. The quantitative objectives were complemented by qualitative ones and more attention was drawn to the impact of food aid, its evaluation and monitoring. Article XIII commits its members to consider the local production, marketing strategies and harvest in the recipient countries as well as to adapt their aid to the "nutritional needs of the beneficiaries"¹⁵⁸. The empowerment of women was also included as members should "facilitat[e] the participation of women in the decision-making process and in the implementation of food aid operations"¹⁵⁹. Further, recipient countries should also have a say and were given the possibility to design and carry out their own food security strategies. As far as cash assistance is concerned, the Convention encouraged an increase in cash contributions by demanding that "food aid should only be provided when it is the most effective and appropriate means of assistance"¹⁶⁰. This question was ought to be answered by an evaluation of needs provided by both the members of the Food Aid Committee as well as by the recipient countries. The FAC also measured, for the first time, the minimum annual contribution not exclusively in metric tons of wheat but additionally permitted an evaluation in monetary value or a mix of both. What is more, donors and implementing organizations¹⁶¹ were invited to purchase products locally in order to enhance longer-term food security by stimulating local or regional markets.¹⁶² Nevertheless, although the logics at work started to change, international food aid remained limited to the "importation of food or aid-funded acquisition on the local market"¹⁶³, carried out by relief agencies, in the 1999 FAC.

1.3.2 Food Assistance

The replacement of the 1999 Food Aid Convention by the 2012 Food Assistance Convention marked the change from a predominantly supply-driven approach to a demand-driven one. While food aid has increased the supply of food, food assistance provides beneficiaries whenever possible with money, in form of cash or vouchers, in order to enable them to access

¹⁵⁶ Cf. CLAY Edward, *The Development Effectiveness of Food Aid*, Paris: Organisation For Economic Co-Operation and Development (OECD), 2005, 95p., here: pp. 9-59.

¹⁵⁷ "Food Aid Convention 1999", *United Nations Treaty Series*, vol. MMLXXIII, n°32.022, 13.04.1999, https://treaties.un.org/doc/Treaties/1999/04/19990413%2008-35%20PM/Ch_XIX_41_cp.pdf [10.05.2018], p. 1.

¹⁵⁸ *Ibid* (Article XIII), p. 9.

¹⁵⁹ *Ibid*.

¹⁶⁰ *Ibid* (Article VIII), p. 7.

¹⁶¹ According to Article XI of the 1999 Food Aid Convention, members can channel their food aid through intergovernmental or international institutions on a bilateral basis, or through nongovernmental organizations. The use of multilateral channels, such as the WFP, is recommended.

¹⁶² Cf. Article XII of the "Food Aid Convention 1999", *United Nations Treaty Series*, 13.04.1999, vol. MMLXXIII, n°32.022, https://treaties.un.org/doc/Treaties/1999/04/19990413%2008-35%20PM/Ch_XIX_41_cp.pdf [10.05.2018], p. 9.

¹⁶³ CLAY Edward, "Trade Policy Options for Enhancing Food Aid Effectiveness: Revisiting the Draft Doha Deal", in BELLMANN Christophe, HEPBURN Jonathan, MELENDEZ-ORTIZ Ricardo (Eds.), *Tackling Agriculture in the Post-Bali Context*, Geneva: International Centre for Trade and Sustainable Development (ICTSD), pp. 123-139, p. 3.

food.¹⁶⁴ This demand-driven approach goes back to the Indian economist and philosopher Amartya Sen and his entitlement theory that he set out in the essay *Poverty and Famines: An Essay on Entitlement and Deprivation*, published in 1981. The entitlement approach is based on the assumption that an individual suffers hunger because he has not the “ability to command enough food”¹⁶⁵. Unlike the approach of all Food Aid Conventions seems to convey, Sen revealed that starvation does not result from “there **being** not enough food”¹⁶⁶ but from people not **having** enough food. Consequently, the availability of commodities is less the problem than “the *relationship* of persons to the commodity”¹⁶⁷. This relationship depends on the *endowment* of a person as well as of his *exchange entitlement mapping*. In other words, the entitlement set of an individual is composed of things he can produce with his land or labor force, for example, and of the commodities he can purchase in exchange for the latter.¹⁶⁸ This, in turn, means that attention should be drawn to the livelihoods of poor people. For his entitlement theory, Amartya Sen received the Nobel Prize in Economics in 1998 and exerted a significant influence on humanitarian and development programs.¹⁶⁹ However, a total change in the approach did not happen overnight and, although including local markets and needs in its reflection, the 1999 Food Aid Convention still adopted a supply-driven approach (see Article I a.). This does not mean that demand-driven approaches were not practiced at all. In fact, cash transfers have already been used as an alternative to food aid and as a standalone tool of disaster response in the early 2000’s. For many observers of humanitarian action, the turning point came with the Indian Ocean Tsunami in 2004. For the first time, cash programming was tested on a large scale in the field of food aid. Contrary to the doubts and skepticism, this tsunami response proved that cash can be a valuable and well-functioning tool for addressing food security issues. In the aftermath, cash gradually became a standard form of assistance in food aid, adopted by more and more donors and agencies as an option by default. In other words, the “old” idea finally “came of age”¹⁷⁰. A focus on livelihoods and access to food can already be detected in a toolkit of USAID in 2005. In fact, the document states:

*“Livelihoods, or individuals' or households' access to resources, is often a primary factor in motivating violence. In some cases, if livelihood support is offered early enough, conflict may be avoided”*¹⁷¹.

The devise of saving lives was increasingly complemented by the endeavor of saving livelihoods, gradually transforming into the devise of saving livelihoods in order to save lives. Against this background, the commitments of donor countries changed and became reflected in policies. Taking up many points of the 1999 FAC, the Food Assistance Convention of 2012, put into force in 2013, adds some important aspects that mark a change in the approach of food provision. Comparing the overall objectives of the two Conventions, one can notice that the

¹⁶⁴ SWARTZ Haley, *Food Aid vs. Food Assistance in Conflict Areas: The Case of the 2017 Famine in South Sudan*, Washington/Bologna: Perspectives, 02.05.2017, <http://www.saisperspectives.com/2017issue/2017/5/2/food-aid-vs-food-assistance> [27.04.2018].

¹⁶⁵ SEN Amartya, *Poverty and Famines: An Essay on Entitlement and Deprivation*, Oxford: Clarendon Press, 1981, 257p, here: p. 45.

¹⁶⁶ Ibid, p. 1.

¹⁶⁷ Ibid.

¹⁶⁸ Cf. SEN Amartya, *Poverty and Famines: An Essay on Entitlement and Deprivation*, pp. 1-47.

¹⁶⁹ Cf. PEPIATT David, , MITCHELL John, HOLZMANN Penny *Cash transfers in emergencies: evaluating benefits and assessing risks*, London: Overseas Development Institute (Humanitarian Practice Network), 2001, 22p., here: p. 3.

¹⁷⁰ *Did the 2004 tsunami change emergency aid forever?*, Geneva: Global Geneva, 03.04.2015, <http://www.global-geneva.com/did-the-2004-tsunami-change-emergency-aid-forever/> [02.02.2018].

¹⁷¹ *Livelihoods & Conflict. A Toolkit for Intervention*, Washington DC: U.S. Agency for International Development, 2005, 27p.

former aims, more modestly, to “contribute to world food security”¹⁷² whereas the latter more ambitiously pursues the aim of saving lives by “reduc[ing] hunger, improv[ing] food security and improvi[ing] the nutritional status of the most vulnerable populations”¹⁷³. Therefore, not only the effectiveness of the assistance and its focus on long-term rehabilitation matters but also the empowerment of beneficiaries through their inclusion in the process of programming and an analysis of markets. More importantly, whenever possible, food aid should be provided in “fully grant form”¹⁷⁴. In other words, cash was definitely accepted as an alternative to in-kind food aid and was integrated in the endeavor to include local markets and their functioning as well as the choice of beneficiaries and the protection of their assets in humanitarian considerations. Until today, most of the humanitarian CTPs are carried out in the food and livelihoods sector.¹⁷⁵ Nevertheless, other humanitarian clusters are catching up and some humanitarian agencies and donors are pushing increasingly towards a cross-cluster, multipurpose use of cash in emergency contexts.¹⁷⁶

1.4 Conclusion

The first chapter of this section exposed the constitutive influence of Western countries and their values on the international humanitarian system. Taking shape in the aftermath of World War II, in the context of the Cold War, it developed within the capitalist framework of its actors. Countries of the communist ‘second world’ and the aid-receiving ‘third world’ countries were not taking part in the implementation of a globally operating humanitarian action. Due to this asymmetry, certain values and core beliefs specific to Western capitalist states spread throughout the world in the framework of humanitarian aid or assistance. These values and core beliefs are reflected in Meyer’s five global cultural principles, which are very similar to the characteristics of capitalism as presented by Jürgen Kocka. Standards, policies and rules set by international humanitarian (non-)governmental organizations are considered to be universally applicable and increasingly focus on the individual. Even if some organizations do not share the widespread capitalist belief system, they are nevertheless operating in a context shaped by capitalist policies. Privatizations and the roll-back of the state gave more space to private actors, and consequently to NGOs, while the unequal and deregulated global trade has exacerbated vulnerabilities. Both developments combined created more need for external humanitarian action as states were weakened and no longer able to help their populations. In reviewing the evolution of humanitarian action in the past few decades, one can conclude that reflections on its flaws and problems, and especially with regard to food security and livelihoods, have resulted in a need to change and thereby in a greater openness toward experimentation and the inclusion of new actors. Negative effects on local markets and their

¹⁷² “Food Aid Convention 1999”, *United Nations Treaty Series*, vol. MMLXXIII, n°32.022, 13.04.1999,

https://treaties.un.org/doc/Treaties/1999/04/19990413%2008-35%20PM/Ch_XIX_41_cp.pdf [10.05.2018], p. 1.

¹⁷³ “Food Assistance Convention”, *United Nations Treaty Series*, vol. MMDCCCLXXXIV, n° 50.320, 25.04.2012, https://treaties.un.org/doc/source/signature/2012/CTC_XIX-48.pdf [12.05.2018], p. 2.

¹⁷⁴ Ibid.

¹⁷⁵ Cf. Ibid.

¹⁷⁶ Cf. *Global Shelter Cluster Position Paper Cash & Markets in the Shelter Sector*, Geneva: OCHA, https://reliefweb.int/sites/reliefweb.int/files/resources/gsc_position_paper_cash_and_markets_in_the_shelter_sector-1_2.pdf [30.04.2018].

Cf. *Guidance to partners funded by ECHO to deliver large-scale cash transfers in the framework of 2017 HIPs and ESOP*, Brussels: ECHO, 31.01.2017, Ref. Ares(2017)516771-31/01/2017, 4p.

consequences as well as high costs and a reduction in the food stocks of donor countries gave way to a thorough revision of practices. One of its results was the shift from providing food and other goods to giving access to markets, considering thereby the beneficiary as a market actor, notably a buyer, who engages in impersonal exchanges with the sellers. As I will show in the following sections, the increasing importance attributed to efficiency and effectiveness gains bring large-scale cash transfers, new technologies as well as new types of coordination and cooperation more and more to the fore of humanitarian policies. This is the context in which MPCTs are rising in popularity amongst humanitarians.

Section II: Why Multipurpose Cash Grants?

The use of larger-scale, unconditional and unrestricted humanitarian cash transfers has increased steadily from 2005 on, although they remained a sectoral response until 2011, meaning that cash was provided per cluster with a cluster-specific objective. MPGs were introduced as a new cash modality in the course of the humanitarian response to the protracted crises in Syria and Iraq¹⁷⁷ and have been integrated as a possible tool for change in the agendas of several donors and organizations since then. In the context of the adoption of the Grand Bargain, a series of reforms thirty major donors and relief organizations agreed upon in 2016, World Vision (WV), for instance, committed itself to provide 50% of its assistance in the form of MPGs.¹⁷⁸ In this section of the thesis, I will elaborate the specific actors' motive for using and promoting this cash modality by analyzing their perspective on the challenges they face today. Of course, the problems and assumptions linked to this cash modality are well-known and presented in numerous written documents and speeches. However, this thesis does not intend to simply repeat them. Instead, it ranges these problems and intended results in a broader picture and analyzes the importance attributed to the respective problems and results. The broader picture was provided by the first section, which exposed the close link between international humanitarian action, on the one hand, and political and economic considerations and dynamics on the other hand. It also illustrated the “world society”-philosophy of IGOs and INGOs by outlining their history, strategical aims and previous reforms. Thinking back to the figure showing the levels of ideas (see page 5), the “philosophy” exposed in the previous chapters has an influence on the policies, containing the problems to be solved. These will be the object of chapter 1.3, preceded by a more detailed explanation of the particularities of MPCTs (1.1) and a brief presentation of the main actors in this domain (1.2). Finally, a last chapter will explain the reasons why MPCTs are supposed to provide solutions in the eyes of its promoters and implementers. By quantifying the frequency of certain aspects mentioned, I try to rank the importance that the organizations in question attribute to the respective problem as well as to their presupposed results.

1.1 Multipurpose cash transfer programming

MPGs are, by definition, unrestricted cash transfers that encourage a coordination and cooperation between clusters. Unrestricted means that beneficiaries can dispose freely of the

¹⁷⁷ Cf. GROOTENHUIS Floor, CALO Muriel, *Testing New Ground. Multisector Cash Interventions in Mangaize Refugee Camp, Niger*. Oxford: Cash Learning Partnership, 08.09.2016, 32p., here: p. 6.

¹⁷⁸ Cf. DERZSI-HORVATH Andreas et al., *Independent Grand Bargain Report*, p. 43.

lumpsum they receive, spending the money on food, education, health or for other purposes. It also means that they are free to buy goods and services wherever they want as this form of cash assistance is not tied to specific supermarkets or shops. Thus, MPGs break with the traditional organization of humanitarian response in clusters, reorganizing thereby the prevailing coordination mechanism, while also challenging the system's control mechanisms. The latter consisted in a predetermination of goods or services provided and, in the case of voucher programs, of places to spend the money disbursed. Furthermore, MPGs can be used as a stand-alone assistance modality or in combination with another modality, such as voucher or in-kind aid (Cash Plus). They can be delivered either on a regular basis during a determined period of time or in one single payment. Finally, there exist several delivery mechanisms for MPGs. In rare cases, they are paid out in cash (envelopes), but whenever the infrastructure permits, MPGs are transferred electronically. In African countries, for instance, humanitarians can often rely on a well-developed mobile phone infrastructure and therefore opt for a money transfer via mobile payment options. In other cases, electronic cash transfers are more classically involving a credit, debit or pre-paid card with magnetic stripe or a chip with which beneficiaries can pay or withdrawal money from an ATM (Automated teller machine) or a Point of Sale (POS). In very rare cases, MPGs are delivered via an e-voucher. As far as the amount of money provided by a MPG is concerned, implementers orient themselves on the so-called *Minimum Expenditure Basket* (MEB), which is calculated either regularly or per season. The MEB contains the minimum amount required for an individual or a household to meet his or its basic needs and rights (right to education; to health care; etc.).¹⁷⁹

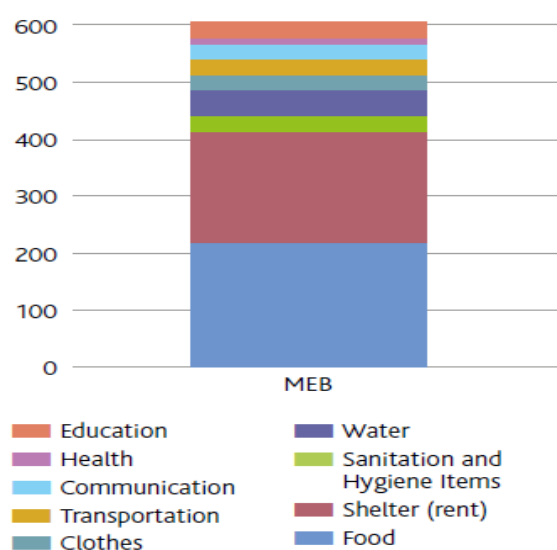


Figure 2 - Minimum Expenditure Basket from Syria Crisis: Lebanon
Source: Operational Guidance and Toolkit for Multipurpose Cash Grants, Brussels: ECHO, December 2015, 161p, here: p. 22.

In some cases, the amount provided by an MPG is not calculated on the basis of a *Minimum Expenditure Basket* but according to the *Survival Minimum Expenditure Basket* (SMEB). This basket only comprises an amount of money that is enough to meet an individual's or household's needs for survival. Whether an implementing organization and its partners use the

¹⁷⁹ Cf. *Multipurpose Cash Grants (MPGs)*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/ctp-and-multi-sector-programming/multipurpose-cash-grants> [10.02.2018].

former or the latter to calculate the amount provided depends on the objective and the funding of a program. Short-term as well as underfunded programs are more likely to fix the sum according to the SMEB than longer-term and well-funded programs. Generally speaking, in both baskets, food is the primary good that is taken into account. For the calculation, humanitarians can rely on the Sphere Standards, a review of previous MEBs or SMEBs in the region – if available, expenditure data from other NGOs/INGOs as well as on conversations with the target group and other stakeholders. They distinguish between recurrent costs, such as water or food, and one-off costs, such as winter clothes. Important in this process is the cooperation with multiple parties as well as the constant consultation of beneficiaries.¹⁸⁰ In addition, various toolkits for market-based assessments, targeting and monitoring procedures have been published by diverse organizations and can be downloaded easily from the website of the CaLP. These toolkits compile all information available for one or several important aspects of CTPs, some being specifically conceived for multipurpose cash assistance (MPCA). Finally, it is important to notice that the term “multipurpose” is a synonym of the term “multi-sector” and only appeared as a description for humanitarian cash transfers in 2014. It reflects the will of some donors, particularly of the British Department for International Development (DFID) and the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO), to overcome a fragmented cash assistance, in which different forms are provided with different amounts and within individual sectors. Given that “basic needs” are not only comprising food but also rent or healthcare, for example, these donor agencies started to increasingly push aid agencies to offer an assistance that serves multiple purposes. While some documents still speak of unconditional and unrestricted cash transfers, the term “multipurpose” is more and more used since the publication of the “10 Common Principles for Multipurpose Cash-Based Assistance to Respond to Humanitarian Needs” by the European Commission in 2015.¹⁸¹

1.2 The actors

Shortly after the Indian Ocean Tsunami response in 2005, CaLP was founded as a platform for a “global partnership of humanitarian actors engaged in policy, practice and research within cash transfer programming (CTP)”¹⁸². Composed of more than 150 organizations and companies, as well as of more than 5000 individuals active in the humanitarian sector, CaLP aims to “radically increase the scale and quality of cash transfer programming as a tool for humanitarian assistance”¹⁸³ by working on its promotion and improvement. The library of the initiative’s website is now full of documents comprising the experiences undergone, and the lessons learned of its members as well as providing some important guidelines for humanitarians concerning the programming with cash.¹⁸⁴ Funding comes from the European Union through ECHO and from the governments of the USA, Canada, Sweden, Germany and

¹⁸⁰ Cf. HOBBS Christina, *MEB/SMEB Calculation for Syrians living in Turkey*, Geneva: United Nations High Commissioner for Refugees, 15.05.2017, 25p., here: pp. 2-8.

¹⁸¹ Cf. BAILEY Sarah, *Humanitarian Cash Transfers in the Democratic Republic of Congo*, London: Overseas Development Institute, March 2017, 19p, here: p. 10.

¹⁸² Cf. *About us*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/about-us/overview> [03.02.2018].

¹⁸³ *Ibid.*

¹⁸⁴ Cf. *What we do*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/overview/what-we-do-overview> [03.02.2017].

Norway through their respective institutions.¹⁸⁵ Taking a closer look at the member list of the platform, one can find eight private companies, eight regional NGOs, six IGOs and thirty-six INGOs. Some of the latter represent confederations with many national offices and most of them have their headquarters in Europe or in the USA¹⁸⁶. When it comes to the private companies, it is striking that all of them are based in the UK or in the USA. Amongst them, one can find the giant, multinational financial services corporations MasterCard (USA) and Visa (USA).¹⁸⁷ Both of them provide CaLP with technical support, especially with regard to digital payment tools, and have gained a significant profile in the humanitarian and development aid sector over the years. MasterCard, for instance, established a foundation in 2006 whose mission is to “advance education and financial inclusion to catalyze prosperity in developing countries”¹⁸⁸. The foundation’s programs focus on Sub-Saharan Africa, where it provides people living in poverty, and especially young people, with access to education, financial inclusion and capacity building activities.¹⁸⁹ In 2013, MasterCard established the MasterCard Center for Inclusive Growth, which acts since then under the status of an independent subsidiary of the company,

“[c]onduct[ing] and support[ing] academic research and provid[ing] strategic philanthropic investments that further sustainable and equitable economic growth and financial inclusion around the world.”¹⁹⁰

Finally, in September 2015, MasterCard launched the MasterCard Aid Network, an end-to-end, non-financial system permitting offline transactions. Beneficiaries are provided with a pre-loaded chip card with which they can buy products in the shop of a participating merchant who is equipped with a visual terminal. The purchase then only requires to swipe the card through the terminal, choose the desired items by clicking on the corresponding photos on a screen and confirm the transaction by entering the PIN. This technology solution has been already used in various programs, such as one carried out by SC in Yemen and one implemented by WV in the Philippines.¹⁹¹ The company also offers assistance relating to transparency efforts of implementing organizations, providing them with electronic reporting and monitoring solutions and data analysis services.¹⁹² Similarly to MasterCard, Visa strives for a full financial inclusion of the global population, pursuing, first of all, the objective to “extend access to digital

¹⁸⁵ Cf. *Partners and donors*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/about-us/partners-and-donors> [24.02.2018].

¹⁸⁶ As the number of member organizations forwarded by CaLP in its “About us” section differs from the number of organizations and companies I have counted in the “Our members” section, I suggest that the website either does not present all of the member organizations or has integrated the various national representations of some of its international members organizations in its counting.

¹⁸⁷ Cf. *Our members*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/membership/who-are-our--members> [23.02.2018].

Cf. *Partners and donors*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/about-us/partners-and-donors> [23.02.2018].

¹⁸⁸ Cf. *About Mastercard Foundation*, Toronto: Mastercard Foundation, <http://www.mastercardfdn.org/about/> [23.02.2018].

¹⁸⁹ Cf. *Our Work*, Toronto: Mastercard Foundation, <http://www.mastercardfdn.org/work/#youth> [23.02.2018].

¹⁹⁰ *MasterCard Launches Center to Drive Inclusive Growth Around the World*, Purchase: MasterCard Worldwide, <https://newsroom.mastercard.com/press-releases/mastercard-launches-center-to-drive-inclusive-growth-around-the-world/> [23.02.2018].

¹⁹¹ Cf. *MasterCard Transforms Aid Distribution*, Purchase: Mastercard Worldwide, 24.09.2015, <https://newsroom.mastercard.com/press-releases/mastercard-transforms-aid-distribution/> [23.02.2018].

¹⁹² Cf. *Mastercard Aid empowers humanitarian relief efforts*, Purchase: MasterCard Worldwide, <https://developer.mastercard.com/product/mastercard-aid-network#mastercard-aid-empowers-humanitarian-relief-efforts> [23.02.2018].

payments to 500 million financially underserved people by 2020”¹⁹³. To achieve this, Visa offers financial literacy programs in 40 countries and collaborates with organizations that work with financially underserved people across the world. In the framework of its social impact strategy, the company established the Visa foundation in 2017.¹⁹⁴ Due to its recent establishment, a thorough documentation of the foundation’s activities is not available yet but according to the business news website Business Wire, it puts an emphasis on the promotion of micro and small enterprises and therefore has oriented its first financial commitment of \$20 million to Women’s World Banking.¹⁹⁵ As section III will show, both companies are playing a significant role in humanitarian MPCT programs. Coming back to the actors that are forming the current CaLP, two bodies are still to be presented: The Board of Directors and the Technical Advisory Group. The latter provides the platform with technical guidance and is composed of fifteen INGOs (all based in the USA and the UK), three regional NGOs (only one of them based outside of Europe), four IGOs, three private companies or consultants and two governmental bodies (Switzerland and USA).¹⁹⁶ The Board of Directors, which is entitled to define the partnership’s “values, strategies, goals, priorities, and policies”¹⁹⁷, is comprised of thirteen voting members of which one representation is granted to an implementing organization of the United Nations and one to a donor country. The remaining eleven members are national and international NGOs whose application for membership proved to be qualitative following the *CaLP Membership Application Pack*. In the latter it is specified that

*“[a]pplications will be assessed on the basis of the applicant’s profile in cash transfer programming as evidenced by the membership application form, as well as the applicant’s alignment with CaLP’s vision, goal and principles ”*¹⁹⁸.

Despite CaLP’s ambition to consider geographical diversion, only one of the eleven current member NGOs in the Board of Directors has its headquarters in a country outside of Europe and the USA.¹⁹⁹ This might be due to the criteria for membership as explained by the Terms of Reference of the Board, which contains several diffuse concepts to which the potential members should adhere, such as a commitment to accountability and improved performance. Both notions are open to interpretation and may be emphasized differently, according to the immediate needs and obligations of an organization in a particular context²⁰⁰. Considering the partners and donors presented on the website of CaLP, and the geographical belonging of the great majority of its members, it becomes clear that the criteria are predominantly defined by European and Northern American actors.²⁰¹ The weak representation of national NGOs from

¹⁹³ 2016 Corporate Responsibility Report, San Francisco: Visa USA., 2016, 71p., here: p. 1.

¹⁹⁴ Cf. Ibid., pp. 1-22.

¹⁹⁵ *Visa Launches Foundation With Inaugural Grant to Women’s World Banking*, New York/San Francisco: Business Wire, 24.10.2017, <https://www.businesswire.com/news/home/20171023006560/en/Visa-Launches-Foundation-Inaugural-Grant-Women%E2%80%99s-World> [24.02.2018].

¹⁹⁶ Cf. *Technical Advisory Group*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/about-us/technical-advisory-group> [24.02.2018].

¹⁹⁷ *BOARD OF DIRECTORS: Terms of Reference (ToR)*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/downloads/calp-board-of-directors-tor.pdf> [23.02.2018].

¹⁹⁸ Cf. *The Cash Learning Partnership (CaLP) Membership Application Pack*, Oxford: Cash Learning Partnership, 9p. [Direct download via Google].

¹⁹⁹ Cf. *Board of Directors*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/about-us/the-board> [23.02.2018].

²⁰⁰ A small local organization operating in a war-torn country certainly has less time and capacity to manage bureaucratic requirements than a large organization based in a country at peace.

²⁰¹ Cf. *Partners and donors*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/about-us/partners-and-donors> [23.02.2018].

other parts of the world might either result from their lack of interest in cash solutions or from their incapability to comply to criteria that had been determined by “others”. The question of “who defines something” is an important one given that concepts are rarely universally shared and understood. Gelfand et al. notice, for instance, that

*“although all cultures have accountability systems to create predictability, order, and control, the nature of accountability systems can vary considerably across culture”*²⁰².

This is why the three scholars deplore that most of the research on accountability has been conducted “almost exclusively in Western contexts such as the United States and Western Europe”²⁰³. Thus, if CaLP chooses the accountability of an organization as an important criterion in the selection process, it is important to verify how and by whom it is defined. Unfortunately, a precise definition of “accountability” is not offered and it seems to be considered a universal concept of which the meaning is supposed to be clear to everybody.²⁰⁴ Of course, accountability is only one of many criteria, but it is not the only criterion whose meaning can pose a problem to the integration of certain actors. The reasons for this weak representation of local NGOs is not the object of this thesis and will not be further analysed. Nonetheless, it reveals the power relations in the official discourse on humanitarian MPCTs. The MPCT programs presented in section III are all implemented under the leadership of CaLP member organizations. Sometimes they are exclusively carried out by several of them, sometimes they are implemented in cooperation with local authorities and national organizations that are not adhering to CaLP. Nearly all programs are primarily funded by DFID (Democratic Republic of Congo, Zimbabwe, Lebanon, Ukraine) and ECHO (Lebanon, Turkey). Both agencies have integrated direct cash assistance in their overall strategies and are not only funding all five case studies presented in section III but are also contributing financially to CaLP, ranging themselves thereby into the group of actors that are seeking to push forward the cash agenda. DFID pursues the Humanitarian Reform Policy of the UK government, which aims to use cash transfers systematically and at scale whenever possible.²⁰⁵ ECHO is a particularly active proponent of MPCTs and is funding the largest MPCAs program, namely the Emergency Social Safety Net (ESSN) in Turkey. While DFID is the development agency of the British government, ECHO falls under the umbrella of the European Commission. Despite good intentions and the aspiration to be as neutral as possible, this political background of both agencies should be taken into consideration. The regulation of ECHO’s contributions, for instance, poses an important obstacle to a more pluralistic international humanitarian action given that only NGOs of EU member states are eligible for receiving this financial support.²⁰⁶ Thus, local organizations in other parts of the world - for example in the area of intervention - cannot access to ECHO funds without having to resort to intermediary NGOs in the EU, which

²⁰² GELFAND Michele J., LIM Beng-Chong, RAVEN Jana L., „Culture and accountability in organizations: Variations in forms of social control across cultures”, *Human Resource Management Review*, 2004, n°14, pp. 135-160, here: p. 157.

²⁰³ Ibid., p. 136.

²⁰⁴ Cf. Ibid., pp. 135-160.

²⁰⁵ *Saving lives, building resilience, reforming the system: the UK Government’s Humanitarian Reform Policy*, London: Department for International Development, September 2017, 21p, here: p. 18.

²⁰⁶ *Grants and Contributions*, Brussels: European Commission, http://ec.europa.eu/echo/funding-evaluations/funding-humanitarian-aid/grants-and-contributions_en [09.03.2018].

also function as a sort of “bureaucratic supervisors” of their local partners.²⁰⁷ Finally, a specific role in the reforms around unrestricted cash assistance is attributed to the UN organizations, of whom WFP and UNHCR are currently belonging to the most visible implementing agencies. As the leading agency of the food security cluster, WFP can be considered a natural actor in CBA due to the fact that the “cash reform” started in this area, which, until today, unites the majority of cash programs.²⁰⁸ It acted as one of the members of the cash working group (CWG) in the Alternative Responses for Communities in Crises programme II (ARCCII) in the Democratic Republic of Congo (DRC) between 2013 and 2015, collaborates with the SC-led CWG in the ESSN programme in Turkey since 2016 and is also one of the implementing agencies in the MPCT program in Ukraine since 2014. In its strategic plan for the period of 2017-2021, WFP commits itself to the expansion of “well-coordinated cash-based programming”²⁰⁹. Besides the increasing use of cash transfers in food assistance, another great proportion of humanitarian cash assistance programs is provided in displacement settings to refugees or internally displaced people (IDPs) and their host communities. For this reason, UNHCR represents another influential actor in multipurpose cash programming. The organization is committed to the expansion and the “systematic and innovative use”²¹⁰ of CBA and has established therefore a *Policy on cash-based interventions* as well as a *Strategy for the Institutionalisation of Cash-Based Interventions 2016-2020* in 2016. MPGs are included in both the policy and the strategy paper.²¹¹ Both the WFP and the UNHCR announced in the aftermath of the 2016 WHS to double their use of CBA by 2020.²¹² Of course, CBA in all forms is provided by many more actors than those I have briefly presented here. Voucher programs are carried out by many smaller organizations and often by local NGOs. Yet, this thesis only concentrates on large-scale, MPCT programs and is therefore particularly interested in identifying the implementing organizations and donors of MPCA. This chapter was supposed to provide the reader with an overview of actors in this field. While there are probably some actors that have not been mentioned, the ones I have presented above are those which matter the most for the upcoming chapters.

1.3 The problems defined

Every change starts with at least one problem that needs to be fixed. This chapter will therefore present the problems defined by four different groups of actors in nine documents, all published in the past five years and ranging from annual reports to policy papers. For the sake of representativity, two documents analyzed were published by the most important donors of MPCA, notably by DFID and ECHO, four by implementing NGOs (SC, Diakonie Katastrophenhilfe, Solidarités International and the Danish Refugee Council), one document originates from the UN Office for the Coordination of Humanitarian Affairs (OCHA) and

²⁰⁷ Cf. “Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid”, *Official Journal*, 02.07.1996, pp. 1-6.

²⁰⁸ STEETS Julia, RUPPERT Lotte, *White Paper on Cash Coordination*, January 2017, Berlin: Global Public Policy Institute (GPPI), 40p, here: p. 26.

²⁰⁹ *WFP Strategic Plan (2017-2021)*, Rome: WFP, July 2017, 53p, here: p. 11.

²¹⁰ *Cash-Based Assistance*, Geneva: United Nations High Commissioner for Refugees, <http://www.unhcr.org/58f5c3987.pdf> [14.05.2018].

²¹¹ Cf. *Cash-based interventions*, Geneva: United Nations High Commissioner for Refugees, 07.06.2017, EC/68/SC/CRP.16, here: p. 3.

²¹² Cf. PUJOL MAZZINI Anna, *Three notable innovations in humanitarian aid in 2016*, Geneva: IRIN, 28.12.2016, <https://www.irinnews.org/analysis/2016/12/28/three-notable-innovations-humanitarian-aid-2016> [19.03.2018].

respectively one document was published by the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP)²¹³ and the High-Level Panel for Humanitarian Cash Transfers (HLP-HCT)^{214, 215}. Publications specifically addressing MPCTs have not been taken into consideration yet as this chapter aims to provide information about the general view on the biggest challenges of the current international humanitarian system. The attention was drawn to the actors' explicit estimation of those problems and challenges and the analysis mostly refers to the introduction part of each publication. In total, I have identified nine different and relevant problems: "Increasing caseload/growing needs", "increasing severity and complexity of crises", "funding problem", "humanitarian system under strain", "lack of political will/solutions", "security constraints/lack of access", "violations of the International Humanitarian Law (IHL)", "growing need for protection" and "disrespect of humanitarian principles". These problems are, of course, overlapping each other. The problem of a humanitarian system under strain, for instance, can be considered the overall problem which comprises all the rest. However, for the sake of comparability as well as in order to work out the nuances, I preferred to rather file the problems in this way. The following analysis is based on a table which attributes different quotes to these nine identified problems and which can be found in the annexes (see Annex 2, Tables 1 and 2).

Generally speaking, there is a widespread consensus on the problematic increase in needs which results in a greater caseload. For instance, DFID speaks of "unprecedented humanitarian needs" (p. 3) and highlights that conflicts are currently driving the "largest population movements since World War Two" (p. 3), a point also forwarded by the NGO Solidarités International (SI, p. 6). ECHO qualifies the growth in the number of people that are forcibly displaced as "dramatic" (p. 7) and SC adds that this number is "at a record high" (p. 1). Several actors assert that humanitarian assistance in general is substantially on the rise and OCHA goes on to remark that

²¹³ ALNAP is a global network with more than 100 full members and Associate Members (NGOs, UN agencies, members of the Red Cross/Red Crescent Movement, donors, academics and consultants), some of which can be found enlisted on its website: <https://www.alnap.org/membership/members> [26.02.2018]. The network is dedicated to improving the accountability and performance of humanitarian action and therefore tries to strengthen the humanitarian evidence base by sharing lessons, identifying key issues and occasionally providing leadership to find collective approaches and solutions. The think tank has its headquarters in the Overseas Development Institute in London, UK.

²¹⁴ The HPL-HCT was convened by DFID in January 2015 in order to investigate if cash transfers are able to transform humanitarian response and the humanitarian system, examining the implications of scaling up cash transfers and its consequences for national actions, humanitarian organizations and the private sector. The Panel reunited, between January 2015 and August 2015, several global thinkers from the humanitarian, development, financial, business, academic and technological sectors and was chaired by the Director for Europe and Senior Fellow of the Center for Global Development, Owen Barder. The members of the HPL can be consulted via this link: <https://www.odi.org/projects/2791-high-level-panel-humanitarian-cash-transfers> [26.02.2018].

²¹⁵ Cf. DFID: *Saving lives, building resilience, reforming the system: the UK Government's Humanitarian Reform Policy*, London: Department for International Development, September 2017, 21p, here: pp. 3-7.

Cf. ECHO: *Annual report on the European Union's humanitarian aid policies and their implementation in 2016* (COM/2017/662), Brussels: European Commission, 13.11.2017, 16p, here: pp. 3-8.

Cf. OCHA: *Global Humanitarian Overview 2018*, New York: OCHA, 2018, 55p., here: pp. 3-37.

Cf. Save the Children: *Save the Children Policy, Recommendations and Commitments for the World Humanitarian Summit*, Fairfield/London: Save the Children, April 2016, 23p., here: pp. 1-2.

Cf. Diakonie Katastrophenhilfe: *Annual Report 2015*, Berlin: Diakonisches Werk für Diakonie und Entwicklung e.V. – Diakonie Katastrophenhilfe, 2015, 42p., here: pp. 3-20.

Cf. Solidarités International: *Annual Report 2015*, Clichy: Solidarités International, 2015, 47p., here : pp. 3-9.

Cf. HLP-HCT: FOLEY Matthew (ed.), *Doing cash differently. How cash transfers can transform humanitarian aid*, London: Overseas Development Institute, September 2015, 42p, here: pp. 7-9.

Cf. Danish Refugee Council: *Annual Report 2016*, Copenhagen: The Danish Refugee Council, 2016, 27p., here: pp. 6-8.

Cf. ALNAP: STODDARD Abby (team leader), HARMER Adele, HAVER Katherine, TAYLOR Glyn, HARVEY Paul, *The State of the Humanitarian System 2015*, London: ALNAP/Overseas Development Institute, 2015, 137p., here: pp. 7-11.

this upward trend in needs will continue in 2018 (p. 4), fueled by “a complex mix of conflict, climate change, water scarcity, demographic shifts and urbanization” (ALNAP, p. 7). The complexity and severity resulting from this “mix” of phenomena constitutes a problem that all the nine humanitarian actors can agree upon as well. Four actors, namely DFID (p. 6), ECHO (p. 3), ALNAP (p. 7) and the Danish Refugee Council (DC, p. 5), explicitly indicate a more complex and severe environment in humanitarian action. The remaining five actors do not specifically express the complexity and severity of today’s humanitarian settings, but they mention either one of the abovementioned phenomena, which are considered here to be constitutive of the complexification of crises, or other developments that are clearly complexifying humanitarian responses. OCHA, for example, puts forward the exacerbating effect of climate change on the risk of natural catastrophes as well as those of displacement on children’s education (p. 4). Similar aspects are indicated by SC (p. 1). The UN agency also stresses the fact that “many humanitarian crises have become so protracted that they seem permanent” (p. 9), lasting in some countries for more than a dozen of years. Diakonie Katastrophenhilfe (DK) speaks of “extreme safety-related and logistical challenges [which] make the work more difficult” (p. 7). And finally, SI advances the intensification of crises in 2015, exemplified by the mixture of complex crises like the Ebola epidemic, the war in Syria and other conflicts as well as the earthquake in Nepal (p. 4). To summarize, all nine actors agree upon a more complex setting resulting from the various consequences of displacements (education and family disruption, loss of livelihoods etc.), longer lasting conflicts and of vulnerability-exacerbating phenomena such as climate change, urbanization and state fragility, for instance. The third problem, which concerns the funding of humanitarian action, is addressed by seven out of nine actors. Nearly all of them identify a gap between needs and funding, whereby they recognize that increases in funding have been outpaced by the simultaneously growing needs. OCHA offers a good illustration of this gap for the year 2018, estimating that only 91 million people out of the 136 million people considered to be in need can be assisted through the current UN-coordinated response plans (p. 3). While OCHA, ALNAP and the HLP-HCT seem to see the problem in the rapidly growing needs, not blaming donor governments for insufficient funding or bad decisions, criticism is raised by three NGOs as well as by DFID. The latter criticizes donor governments for their “unpredictable” humanitarian funding, which is often disbursed “too late” and at their discretion (p. 6). DK blames the “rich nations” for being unwilling to provide sufficient funds for internally displaced people and refugees, who represent 65 million people in need for humanitarian assistance (p. 6). SC, in turn, disapproves of the “low levels of funding from national governments and international donors” for child protection, which the organization attributes to a low priority given to this topic by donors (p. 6). Finally, the DC complains about the limited availability of “appropriated administration funds” to “cover unforeseen expenses arising in connection with international activities” (p. 9). Although they also consider growing needs to be a problematic factor for the financing of humanitarian action, these organizations clearly highlight a politically motivated distribution problem. The growing needs alongside with the complexification of crises and the difficulty to ensure appropriate and sufficient funding culminate in the problem of a “humanitarian system under strain”, which is stressed by six actors. The respective actors are not using exactly the same expressions and three different attitudes can be distinguished concerning the humanitarian system’s tasks and possibilities. The first attitude is adopted by DFID, SC, the HLP-HCT and SI, which depict a humanitarian system

that is desperately trying to cope with the increasing workload and the funding problems that come with it. While DFID (p. 3), SC (p. 1) and the HLP-HCT (p. 7) speak of a humanitarian system under “enormous”, “unprecedented” or “severe” strain, SI (p. 6) indicates that humanitarian efforts are being pushed to their limits. Although the situation is considered to be very complicated and stressful, the system is trying to manage it somehow and the four mentioned actors are not questioning the functioning or mandate of the international humanitarian system. This differs from the attitudes of ALNAP and DK. In the preface of ALNAP’s 2015 publication on the state of the humanitarian system, the former Undersecretary General and Emergency Relief Coordinator of the United Nations, Valerie Amos, goes so far as to declare the humanitarian system to be “overstretched” (ALNAP, p. 7), implying thereby that the limits have not only been reached but exceeded. She doubts that all the mechanisms set up for better planning and coordinating humanitarian action can infinitely improve the system’s performance and fears that the limits of what this structure is able to accomplish have been reached. Amos gives an insight into her view of the system’s limits by reminding that it “was not deliberately engineered [...] [but] evolved largely organically from disparate altruistic endeavors at the local and international level” (ALNAP; p. 10). Thus, international humanitarian action has already largely expanded its scope and structure in the last decades and, for Amos, this tendency cannot go on eternally. DK is adopting a slightly different attitude, whereby the organization’s analysis is going into a similar direction than the one provided by ALNAP. According to DK’s president, the “immense extent of wars [...] as well as natural disasters with the respective refugee flows” have “stretched the limits of humanitarian assistance” (DK, p. 3). Unlike ALNAP, DK is not implying that the limits have been exceeded but rather observes a further broadening of the system’s tasks. Its president explains her argument by criticizing the EU for leaving the response to the migrant influx to aid organizations and volunteers while at the same time hindering their ability to help by closing borders and changing routes. Ending her preface with the statement that “money cannot replace political will in humanitarian aid” (p. 3), she makes clear that much of the caseload for humanitarian organizations nowadays derives from a transfer of responsibilities from the political sphere to the humanitarian sector and is not within the realms of possibility for the latter. In fact, DK and ALNAP differ in the type of limits that they advance – the former is speaking about the limits of the humanitarian mandate, the latter about the structural limits of the system - but they both question certain tendencies in humanitarian action and are not taking the increasing caseload for humanitarian actors for granted. As the statements of DK and ALNAP reveal, the lack of political will and solutions represents a further problem defined by several documents. In addition to its skeptical assessment of today’s humanitarian structure, ALNAP reminds that humanitarian action “cannot correct for political or development failures” (p. 10) and is worried about humanitarian workers required to stay longer in their areas of intervention because “processes for maintaining international peace and security are in deadlock” (p. 7). DFID seems to share these worries and asserts that “emergency funding has become a substitute for investment in risk management and resilient national systems” (p. 7). The lack of political solutions and will is particularly criticized by the NGOs, whereby DK finds the strongest words for criticizing donor governments. Besides its disapproval of the European governments’ outsourcing of responsibility in the ‘migrant crisis’, the German organization reminds these governments of their obligations deriving from the ratification of the Geneva Refugee Convention, obligations that they obviously do not respect for the moment

(p. 3). It is supported in this point of view by SC, which addresses the uneven distribution of refugees across the continent (p. 3) and many countries' inability or unwillingness to protect and uphold children's rights (p. 5). Another problem defined in several documents is that of security constraints for humanitarian organizations and the lack of access to certain regions caused by it. ECHO raises awareness about the inability to reach people in some remote areas due to security constraints or inadequate infrastructure (p. 7). ALNAP and SI specifically mention access problems in war-torn Syria, which they attribute to security as well as to political impediments (ALNAP, p. 10/SI, p. 6). DK notices that an important cause of the increasing security constraints for humanitarians is the non-compliance of some conflicting parties with the IHL (p. 7), which is identified as a problem apart by five documents. While DFID (p. 6), ECHO (p. 4) and ALNAP (p. 7) simply assert that the IHL and human rights more generally are regularly violated, SI (p. 6) and SC (p. 5) also criticize the international community for its insufficient and inappropriate reaction. The problem of increasing violations of the IHL are closely interrelated with the problem of a growing need for protection, which is identified by four actors. ALNAP stresses that protection is a principal need for people affected by emergencies (p. 10) and SI puts emphasis on the particular vulnerability of displaced persons, implying the need to better protect these people from harm (p. 7). Unsurprisingly, SC is the actor who most accentuates the need for protection, notably for children. The organization puts forward the particularly devastating consequences of humanitarian emergencies on groups that have already been vulnerable before due to their marginalization in their respective societies (p. 13). Finally, the last problem identified concerns the disrespect of humanitarian principles, as mentioned by SI and by DK. According to the former, 2015 has been a dark year for humanitarian principles. The attacks on medical facilities in Syria, Yemen and Afghanistan have undermined the humanitarian space and resulted in the need to defend principles that were believed to be universally accepted (p. 3). DK adds that humanitarian principles and standards were ignored in the context of the 'migrant crisis', fueled by a "de-professionalisation" of humanitarian action that makes a good oversight of humanitarian responses increasingly difficult (p. 6).

Seven of the nine analyzed documents also provided some ideas about the way humanitarian action should be conceived in order to better the current situation. I have gathered these ideas in a table (see Annex 2, 1.2 "Suggested solutions") in order to have a better overview and tried to find common concepts. The latter were excerpted from the collected quotes and inserted into an extra column. In total, I have detected four general ideas, which I have summarized under the following titles: "innovation", "reduction of humanitarian costs", "reduction of humanitarian needs" and "beneficiary-centered approach". The first-mentioned idea responds to the problem of a heavily charged and overwhelmed international humanitarian system and the urge to change resulting from it. Innovation is defined here as the introduction of a new method, idea or product that is perceived to be capable of improving the system's performance. DFID believes that innovation can be promoted through cash transfers (p. 20) and mentions the cooperation with the private sector on insurance and risk management as one form of innovation (p. 4). ALNAP, which claims that "the concept of innovation itself, as an organizational aspiration and area of activity, has taken root in the humanitarian system" (p. 102), presents the disbursement of smaller installments of cash to beneficiaries over a longer period of time as an "innovation" (p. 102). For SC, donors need to make use of more "innovative and risk-informed

finances” in order to support “shock-responsive social protection programmes” (p. 19). The statement of SI, according to whom innovations need to accompany additional funding in order to achieve the 17 Sustainable Development Goals (p. 8), leads us to the second idea: the reduction of humanitarian costs. Most of the examined actors use concepts such as efficiency, preparedness, needs-based approach and value for money. In other words, the humanitarian system is supposed to deliver aid quicker and cheaper, obtaining the maximum output for a minimum of input (DFID, pp. 18-20). According to OCHA, more advanced and intersectoral monitoring and targeting methods should define and prioritize needs more precisely in order to ensure the delivery of an appropriate assistance to those who are most in need (p. 25). As a simple improvement in performance and thus a better value for money can only reduce but not eliminate completely the funding gap, many of the analyzed documents indicate the necessity to reduce humanitarian needs by adopting a more future-oriented approach. This idea is based on the concepts of resilience building, risk management, a humanitarian-development nexus, disaster preparedness, humanitarian effectiveness, social protection, self-reliance, financial inclusion and empowerment. Thus, the plan to reduce humanitarian needs focuses on a preventive assistance that takes long-term impacts more into consideration. The support of local markets and the economic recovery of beneficiaries are central in this endeavor. In relation to cash, for instance, DFID writes that “cash can contribute to economic recovery and prosperity by supporting local trade and jobs” (p. 20). ECHO (p. 7) and OCHA (p. 12) both stress the importance of a closer cooperation and entanglement of humanitarian and development assistance. The HLP-HCT considers the “accelerating pace of financial inclusion” to be a chance to make greater use of cash transfers and to consequently improve peoples’ disaster preparedness by durably linking them with payment systems (p. 12). SC underlines the benefits of cash transfers in mitigating negative coping strategies and promotes social protection as a crucial tool for building resilience (p. 18). These three ideas mentioned so far have a cognitive nature, meaning that they are based on the identification of specific problems which they try to solve by offering tools and methods to create a positive change. The last overall idea, namely the beneficiary-centered approach, however, has a normative character as it responds to moral principles and provides an important legitimization of the cognitive ideas. The beneficiary-centered approach is characterized by the willingness to include the beneficiary more in the humanitarian programming cycle. DFID, for example, wants affected populations to be better informed and allowed to participate in the decision-making. More notably, beneficiaries should be “empowered to make choices for themselves” (p. 19). The control over their own consumption is considered to be dignifying and cash is presented as the best form of assistance to achieve this aim (DFID, p. 20). Choice, flexibility and dignity are three concepts often mentioned in connection with this approach, especially by ECHO (p. 7) and the HLP-HCT (pp. 11-12). SC, on the other hand, is putting forward peoples’ preferences for cash and the safety that it provides them with (p. 18).

The abovementioned problems as well as the four ideas about how to solve them that I could detect in the nine examined documents are reflected in the four key themes of the 2016 WHS: “Humanitarian effectiveness” (Reduction of humanitarian costs), “Reducing vulnerability and managing risks” (Reduction of humanitarian needs), “Transformation through innovation”

(innovation) and “serving the needs of people” (beneficiary-centered approach).²¹⁶ Given the wide range of actors having participated in the Summit - notably 9000 people of NGOs, the private sector, civil society and affected people from 180 countries²¹⁷, the four ideas for change are shared, or at least taken into consideration, by far more than the nine organizations and agencies that have been the object of this chapter’s analysis.

1.4 Multipurpose cash grants as a solution

After having identified the general problems and challenges humanitarian actors consider themselves to be confronted with today as well as their ideas for a positive change, this chapter will examine to what extent multipurpose cash transfer programming is supposed to offer relevant solutions. In the upcoming subchapters, I will try to answer the following questions: What are the innovations behind MPCTs? Are they believed to reduce the costs of humanitarian action? If so, how are they believed to achieve this? How are MPCTs supposed to contribute to long-term resilience and consequently to reduce the need for humanitarian assistance? And finally, what is the role of the beneficiary in multipurpose cash-based programming? This chapter’s sources are exclusively dealing with this cash modality and are using the terms “multipurpose cash transfer” or “multipurpose cash grant”. I have left out any document speaking about unconditional and unrestricted cash transfers, even if they can be considered multipurpose. The denomination “multipurpose” reflects an idea and reasoning in itself and is therefore examined separately from transfers similar in their content but named differently, which will not be the object of analysis here.

1.4.1 Reduction in humanitarian needs

The number of people in need is constantly growing and so does the length of assistance. At the same time, funds are restricted. Therefore, avoiding that people come into a situation in which they need foreign help is one possibility to address the international humanitarian system’s shortages. The EU’s ten common principles for MCBA build on the assumption that humanitarian action should favor “greater resilience and long-term sustainability”²¹⁸ by encouraging “coordination with development actors and, where possible, with governments”²¹⁹. To this end, it aims, amongst others, to prevent local markets and systems from being disrupted. This desired outcome is especially important given the fact that beneficiaries are recognized to be “economic actors who are constantly interacting with local markets”²²⁰, meaning that the former and the latter are affecting each other mutually. Thus, hardships on one side can lead to hardships on the other. For example, if beneficiaries are losing their purchasing power, they cannot consume. This, in turn, leads to a lack in demand on the market and its possible collapse if this problem affects a larger number of people. Therefore, one possibility to restore or support local markets is to provide affected people with purchasing power so that they can consume.

²¹⁶ Cf. *World Humanitarian Summit 2016. Concept Note (Draft)*, New York: OCHA, September 2013, <http://www.unocha.org/sites/dms/Documents/WSH%20Concept%20Note.pdf> [17.03.2018], pp. 2-3.

²¹⁷ Cf. *World Humanitarian Summit 2016*, New York: OCHA, <https://www.agendaforhumanity.org/summit> [03.03.2018].

²¹⁸ *10 Common Principles for Multi-Purpose Cash-Based Assistance to Respond to Humanitarian Needs*, Brussels: ECHO, March 2015, 20p, here: p. 4.

²¹⁹ Ibid.

²²⁰ *Operational Guidance and Toolkit for Multipurpose Cash Grants*, Oxford: Cash Learning Partnership, December 2015, 161p, here: p. 3.

This is the reasoning in which MPCTs are embedded, which is why one of the principal arguments in favor of this cash modality is the conviction that they have the potential to effectively support local markets by providing beneficiaries with money at their free disposal.²²¹ Besides the positive effects it is supposed to have on local markets, MPCTs “can enhance communities’ economic recovery, preparedness and resilience”²²². Some actors speak in this regard of an “empowerment” of vulnerable people.²²³ For instance, Rose Smith, Membership Officer at CaLP, considers MPCTs to be a tool for achieving the Sustainable Development Goal of obtaining gender equality and believes that they

“[...] give women a boost to raise their sights and use cash as they see fit, whether to pay off debts, invest in micro businesses, purchase goods or keep their daughters in school”²²⁴.

In other words, besides satisfying recurrent needs, MPCTs are believed to reduce negative coping mechanisms (NCMs) such as the disruption of the education of one’s children in order to save money for food. It is also thought that they offer an opportunity to invest in the future through the acquisition of livelihoods or higher expenditures on the education of children. However, ECHO as well as CaLP make clear that MPCTs are not conceived to restore non-functioning markets but to support them and prevent their possible collapse. In fact, the appropriate functioning of markets is an important precondition for the successful implementation of MPCTs. Thus, any multipurpose cash-based program needs to be preceded by a thorough market analysis that takes into account the availability of basic products, the prices and their fluctuations, as well as beneficiaries’ access to these markets (potentially restricted due to geographical distance or discrimination based on ethnic or social factors, etc.) and the prevailing political economy.²²⁵ As many humanitarians do not have a degree in economics and are not familiar with the functioning of markets, several toolkits have been developed in recent years in order to guide “normal” humanitarian workers in this new approach, amongst them the *Operational Guidance and Toolkit for Multipurpose Cash Grants*, developed by CaLP in cooperation with the DC, Oxfam, the UNHCR, OCHA, SC and the WFP. CaLP points to the fact that by engaging in multipurpose cash-based programming, humanitarian actors are encouraged to “better understand the local economy and market dynamics in a holistic way”²²⁶. Instead of “simply” providing the goods and services that their beneficiaries are lacking – which is a very predictable and calculable operational functioning, they are increasingly required to endow them with the ability to access such goods and services on their own, following the concept of “self-reliance”. This can be done by linking beneficiaries to payment systems or by cooperating with a state’s government, whose social protection system, if existing, can be used to channel the cash assistance.²²⁷ The first-mentioned means of

²²¹ Cf. *10 Common Principles for Multi-Purpose Cash-Based Assistance to Respond to Humanitarian Needs*, p. 10.

²²² *Operational Guidance and Toolkit for Multipurpose Cash Grants*, p. 3.

²²³ Cf. “Draft Council Conclusions on Common Principles for Multi-Purpose Cash-Based Assistance to Respond to Humanitarian Needs (9420/15)”, *Council of the European Union*, 01.06.2015, p. 3 (available online: <http://data.consilium.europa.eu/doc/document/ST-9420-2015-INIT/en/pdf> [14.05.2018]).

²²⁴ SMITH Rose, *Women’s Economic Empowerment and Cash Transfer Programming*, Oxford: Oxfam, 02.09.2016, <https://policy-practice.oxfam.org.uk/blog/2016/09/her-series-womens-economic-empowerment-and-cash-transfer-programming> [05.03.2018].

²²⁵ Cf. *Operational Guidance and Toolkit for Multipurpose Cash Grants*, Oxford: Cash Learning Partnership, December 2015, 161p, here: p. 14.

²²⁶ Cf. *Multipurpose Cash Grants (MPGs)*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/ctp-and-multi-sector-programming/multipurpose-cash-grants> [05.03.2018].

²²⁷ Cf. *Ibid.*

delivery has the advantage that local enterprises and banks can be supported and strengthened. The latter, in turn, would help a government to maintain its social protection system and could even strengthen it, providing thereby the state with a better capacity to manage future crises. To conclude, multipurpose cash-based assistance is supposed to reduce humanitarian needs in the long-term by “boosting consumption and reducing negative coping strategies”²²⁸ while strengthening the capacities of local markets and local economies, as well as those of governments to respond to crises.

1.4.2 Efficiency and effectiveness

Probably the most obvious possibility to address a funding gap is the attempt to obtain the maximum outcome with a minimum of input. This could explain why the words “efficiency” and “effectiveness” are so excessively used in current publications of humanitarian agencies and organizations. The importance that humanitarian actors are attributing to the achievement of desired and predetermined outcomes in the cheapest and easiest way is demonstrated by the fact that ECHO puts the efficiency and effectiveness of humanitarian responses at the top of its ten common principles for multi-purpose cash assistance, whereby the publication defines an efficient and effective humanitarian action as responding “to the most pressing needs of affected people [while] representing the best value for money”²²⁹. The reasons why the EU agency assumes that MPCTs, and cash transfers in general, are more efficient and effective than in-kind aid are provided in the explanation of ECHO’s first common principle for the use of MPGs. First, it points to the fact that most societies in this world exchange goods and services for cash, which implies that beneficiaries will naturally prefer the latter. Second, markets often continue to function even in the worst conditions, making it unnecessary to import food or other products as long as they are locally available. Needless to say that the transport of food from Europe or Northern America to Africa, for instance, is logistically challenging and expensive; and that is not to mention the environmental implications of it. Third, the publication puts forward that “a proportion of in-kind donations will invariably be lost or sold by beneficiaries”²³⁰, which goes at the expense of the latter as they will only be able to sell it at a discount price that is inferior to the real value of the goods provided. This is why ECHO comes to the conclusion that in-kind assistance is not efficient as its costs are higher “than the combined product, shipping, storage and distribution components”²³¹. But even if the shipping in of aid was cheaper, the sale of distributed in-kind aid by the beneficiaries is an unintended phenomenon that does not correspond to a program’s desired results. It is therefore not effective. Unlike in-kind aid, multipurpose cash leaves the decision over consumption to the beneficiaries, avoiding thereby the distribution of goods and services that are not desired by the latter. Thus, it does not interfere in the interaction between offer and demand on which markets are based. And finally, thanks to the advancement of technology, the distribution of cash does not require great logistical efforts but can be transferred easily from one point to the other from all around the world. In other words, CTPs are insofar believed to be more efficient as they avoid waste and complicated

²²⁸ Cf. JOVANOVIĆ Vladimir, *The impact of cash transfers on resilience*, London: Care International UK, August 2017, 23p, here: pp. 6-9.

²²⁹ *10 Common Principles for Multi-Purpose Cash-Based Assistance to Respond to Humanitarian Needs*, p. 2.

²³⁰ *10 Common Principles for Multi-Purpose Cash-Based Assistance to Respond to Humanitarian Needs*, p. 9.

²³¹ Ibid.

as well as costly storage and transportation. But this does not explain yet why MPCTs, in particular, are efficient and effective. In its guidance note, ECHO emphasizes that there is

*“strong evidence to show that cash transfers are efficient and effective in covering basic needs, particularly when assistance is delivered at scale as a single multi-sector transfer”*²³².

According to a report on Mercy Corps’ TabangKO program in the Philippines in 2014, single multi-sector transfers resulted in “increased ownership of small productive assets”²³³. This observation can be explained by the higher amount of money that a single transfer usually provides compared to a transfer in several installments. One can also argue that a single transfer is more efficient than transfers which are delivered in several installments because financial transaction costs only need to be paid once. Furthermore, MPCTs are addressing needs across sectors, avoiding thereby that donors need to channel their funds through different clusters in order to support an encompassing, broad response. If well-coordinated, MPCTs could therefore reduce costs by reducing the number of actors involved as well as by concentrating money on one larger, more holistic humanitarian assistance.²³⁴ But these benefits depend on other programming aspects. One positive effect that MPCTs have in any case on humanitarian efficiency and effectiveness is their capacity to meet multiple needs, as mentioned earlier. In a briefing note published by the Cash Learning Partnership in 2016 and showing the logos of the DC, SC, OCHA and Mercy Corps, MPCA is considered “the most efficient and effective way of meeting basic needs across traditional sector divides”²³⁵. This opinion is also shared by the OECD.²³⁶ On its website, CaLP speaks of a “growing evidence that they [MPGs] are more cost-efficient and cost-effective to meet multiple needs”²³⁷. Finally, the WHS’ core commitment on financing is pledging for a considerable increase in the funding available for multipurpose cash transfers to support the endeavor of better “address[ing] the differentiated needs of populations affected by humanitarian crises in fragile situations and complex emergencies”²³⁸. Hence, there seems to be a widespread consensus among CaLP members and major donors on the gains in efficiency and effectiveness through multipurpose cash transfers, whereby the exact method behind it is still the object of a debate. As the reader will see in section III, ideas about the coordination of such programs diverge from one actor or group of actors to the other. To conclude, it is thought that MPCTs reduce the costs of humanitarian assistance by reducing logistics costs as well as by addressing multiple needs through a single program. As subchapter 1.4.4 will further explain, gains in effectiveness are also expected from a more beneficiary-centered approach, which transfers more decision-making power to beneficiaries and thereby avoids that these receive goods and services that they do not value.

²³² *Guidance to partners funded by ECHO to deliver large-scale cash transfers in the framework of 2017 HIPs and ESOP*, p. 1.

²³³ *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, Portland: Mercy Corps, 40p., here: p. 3.

²³⁴ Cf. STEETS Julia, BINDER Andrea, DERSZI-HORVATH, KRÜGER Susanna, RUPPERT Lotte, *Drivers and Inhibitors of Change in the Humanitarian System. A Political Economy Analysis of Reform Efforts Relating to Cash, Accountability to Affected Populations and Protection*, Berlin: Global Public Policy Institute, April 2016, 74p, here: p. v.

²³⁵ *Increasing the Uptake of Multi-Purpose Cash Grants in Emergency Responses for a More Efficient and Effective Humanitarian Action*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/downloads/erc-mpg-2016briefingnote.pdf> [05.03.2018].

²³⁶ Cf. *Cash-Based Response*, Paris: OECD, 2017, 14p, here: p. 1.

²³⁷ *Multipurpose Cash Grants (MPGs)*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/ctp-and-multi-sector-programming/multipurpose-cash-grants> [05.03.2018].

²³⁸ *Financing: Investing in Humanity*, New York: OCHA, 2016, 8p, here: p. 2.

1.4.3 Innovation

Innovation is a cross-cutting issue and generally reflects the often-evoked need for new products, ideas and methods to change the humanitarian system and its performance. The term can frequently be found in humanitarian publications and the 2016 WHS even bore the foundation of a global alliance focusing on innovation in humanitarian action.²³⁹ Despite its prominence, however, it is often used imprecisely and in a misleading way. A publication of the ICVA network, for example, writes that, in the framework of the Grand Bargain, aid organizations and donors committed to use “technology (including green) and innovation”²⁴⁰ in order to make the delivery of assistance more efficient. Linguistically, this quote is problematic given the fact that the term “innovation” only describes a product, idea or method that is new, which is why technology can be innovative. It is even more misleading as the next sentence goes on to provide examples about technologies that might improve humanitarian efficiency.²⁴¹ The authors were probably speaking about “technology as an innovation”. To avoid misunderstandings and to be as clear as possible about the innovative characters some actors attribute to MPCTs, the analysis in this subchapter will draw on the innovation model of Tidd and Bessant. In their model established in 2009, the two scholars distinguish between four types of innovation: Product innovation, process innovation, position innovation and paradigm innovation.²⁴² The first type either introduces or improves a product or service, the second refers to the way in which these are generated or delivered, the third type deals with the perception of the respective product or service and the fourth type of innovation is supposed to change the organizational or system level.²⁴³ As far as multipurpose cash-based programming is concerned, the Secretary General of the Norwegian Refugee Council, Jan Egeland, as well as ECHO consider large-scale cash-based assistance, including MPCTs, as an innovative approach.²⁴⁴ In an article published on the website of Global Citizen, World Vision International’s (WVI) Vice President for Food Assistance Thabani Maphosa even declares cash transfers to be “one of the most significant innovations in humanitarian assistance in recent memory”²⁴⁵. This view is shared by Foley et al. who emphasize that cash combines all four innovation types:

“Cash programming brings together a product (cash or vouchers) with new processes (for distributing cash), and at its most innovative is also a new position (what agencies actually do in emergencies) and a paradigm-shift in how humanitarian assistance is undertaken (in relation to the perception of beneficiaries as active participants). Cash programming can also be applied within every sector of humanitarian relief – food, shelter, health, and water and sanitation”²⁴⁶.

²³⁹ Website of the Global Alliance for Humanitarian Innovation (GAHI): <https://www.thegahi.org/>.

²⁴⁰ *The Grand Bargain Explained: An ICVA briefing paper*, Geneva: ICVA network, March 2017, 18p., here: p. 11.

²⁴¹ Cf. Ibid.

²⁴² Cf. TIDD Joe, BESSANT John (Ed.), *Managing Innovation: integrating technological, market and organizational change*, Chichester: Wiley, ⁵2014, 660p, here: p. 25.

²⁴³ Cf. *Draft Briefing Paper – Transformation through Innovation*, New York: OCHA, 2014, 2p, here: p. 1.
Cf. *Transformation through Innovation. Pre-Consultation Briefing Note for the Europe and Others Group Consultation*, Brussels: Communication Department of the European Commission, February 2015, 6p.

²⁴⁴ Cf. *10 Common Principles for Multi-Purpose Cash-Based Assistance to Respond to Humanitarian Needs*, pp. 11-12.
Cf. SMITH Gabrielle et al, *The State of the World’s Cash Report. Cash Transfer Programming in Humanitarian Aid*, Oxford: Cash Learning Partnership, February 2018, 140p.

²⁴⁵ MAPHOSA Thabani, *Cash transfers: an innovative solution to the greatest humanitarian challenges*, New York: Global Citizen, <https://www.globalcitizen.org/en/content/cash-transfer-humanitarian-aid-poverty-effective/> [06.03.2018].

²⁴⁶ RAMALINGAM Ben, SCRIVEN Kim, FOLEY Conor, *Innovations in international humanitarian action*, London: ALNAP, 13.07.2009, 88p, here: p. 44.

This classification of cash assistance, in general, as an “all-around innovation” can also be referred to MPCTs. As a cash modality, they represent a product innovation. Being mainly delivered electronically via mobile phones or credit cards, they can also be considered a process innovation in humanitarian action. Furthermore, as indicated in subchapter 1.4.1, multipurpose cash transfer programs are putting local markets and their beneficiaries’ economic being at the center of their action. By doing so, they are transforming the way agencies operate in emergencies, making MPCTs a position innovation as well. While the common picture of humanitarian action involves a convoy bringing food and medicine, for example, to a particular place where a bunch of humanitarians distribute the goods to people waiting in a queue²⁴⁷, MPCTs are moving humanitarian workers more to the background. As section III will show, they are still in contact with the beneficiaries, notably when distributing e-cards (for example) and providing training on the usage of them, but they are rather ensuring a facilitator than a provider role. Focusing on their beneficiaries’ access to local markets, they are now confronted with the necessity to analyze the functioning of markets and to adapt their assistance to markets’ vagaries. Thus, multipurpose cash-based programming resorts to tools of economics. This, in turn, leads to a shift in the perception of beneficiaries, which are now, as mentioned in subchapter 1.4.1, viewed as active economic actors who need some support to take their lives into their own hands again. The focus is on the future and beneficiaries are considered to be equally responsible for the outcome of such a program. This new perception of affected populations can be ranged into the category of paradigm innovations, to which MPCTs can also be attributed due to their transformative effects on the humanitarian cluster approach. However, ECHO exclusively thinks of MPCTs as an innovative approach, referring instead to the last two types of innovation in the Tidd and Bessant model. More precisely, the innovative approach for the agency consists of a focus on the basic needs of beneficiaries and the effort of seeking to “identify how best to meet these”²⁴⁸. The technology behind MPCTs, on the other hand, is simply facilitating the shift to cash-based assistance.²⁴⁹ Nevertheless, other actors are particularly emphasizing the innovations in technology that are positively affecting the performance of cash-based assistance, including MPCTs. The World’s Cash report 2018 remarks that innovations in digital payments can promote financial inclusion.²⁵⁰ As a result, the increased access of people to financial services would make the deployment of multipurpose cash-based assistance much easier. On the other hand, the OECD recommends to rather see cash-based emergency responses rather as an opportunity to link one’s actions more with the private sector than to consider it as “a primary tool for financial inclusion of the most vulnerable populations”²⁵¹. This point of view expressed by the OECD has been taken up by the WHS, which classified partnerships with the private sector in the domain of digital payments as innovative.²⁵² Thus, apart from taking a glimpse at the programs’ approaches, section III will also take into account the role of the private sector in the different programs as well as their considerations of financial inclusion. All in all, multipurpose cash-based assistance is an

²⁴⁷ See “Humanitarian Action” on Google Images.

²⁴⁸ *10 Common Principles for Multi-Purpose Cash-Based Assistance to Respond to Humanitarian Needs*, p. 12.

²⁴⁹ Cf. Ibid.

²⁵⁰ Cf. SMITH Gabrielle et al, *The State of the World’s Cash Report. Cash Transfer Programming in Humanitarian Aid*, p. 21.

²⁵¹ *Cash-Based Response*, Paris: OECD, 2017, 19p, here: p. 9.

²⁵² Cf. *Commitments to Action (World Humanitarian Summit 2016)*, New York: OCHA, August 2016, 36p., here: p. 29.

innovative approach which operates with technologies that are, themselves, considered to be innovative.

1.4.4 Beneficiary-centered approach

Two words that often appear in the reform debates of the international humanitarian system are “localization” and “inclusion”. While the former is rather mentioned in relation to local authorities, civil society and entrepreneurs, the latter involves the attempt to include “people of all ages and physical abilities”²⁵³ to participate in the decision-making process in order to integrate their capacities and to make sure that their needs are met.²⁵⁴ Documents that promote MPCTs are putting an emphasis on the inclusive aspect of this cash modality and especially on its ability to meet different and multiple needs. ECHO presents MPCTs as a “people-centered approach” that places “choice and responsibility in the hands of beneficiaries”²⁵⁵. Being unconditional, MPCTs leave the decision about the consumption of goods and services to the recipients of its assistance. Moreover, as unrestricted cash transfers, they also guarantee beneficiaries a certain flexibility, meaning that they can buy products – of any kind - wherever they want. As a result, MPCTs make sure that the preferences and priorities of beneficiaries are respected, a respect that ECHO considers important for upholding disaster or conflict-affected people’s dignity. In fact, the term “choice”, alongside with the terms “preference”, “flexibility” and “dignity” are used by a myriad of documents mentioning the benefits of CTPs for beneficiaries.²⁵⁶ These catchwords are sometimes combined with the request to involve them in all phases of humanitarian programming in order to make sure that their specific needs are addressed.²⁵⁷ This involvement in the elaboration of a program is considered to be an empowerment of the beneficiary who is encouraged thereby to take responsibility.²⁵⁸ In fact, the reasoning behind MPCTs as a people-centered approach designed to serve the needs of people is based on an individualist view of human action. In this sense, the action revolves around a responsible individual who limits his own freedom of choice and flexibility by a feeling of responsibility. The latter will control the preferences and submit them to a higher goal which, in this case, is the maintenance and economic protection of the household for the present and the future. The ability of providing one’s family with basic goods and services while eventually being able to invest in the future by acquiring livelihoods is considered to have a dignifying impact on the person in need, especially in contexts where displaced persons are struggling to be accepted by their host community.²⁵⁹ In short, MPCTs serve the needs of people insofar as they do not impose them a predetermined package of goods and services but leave the decision about what to consume to the beneficiary himself. Furthermore, the money provides him with the ability to economically interact with his environment, which furthers his ability to become an integral part of it. Nevertheless, this new-defined role of the beneficiary does not change anything about humanitarian organizations’ accountability requirements,

²⁵³ MAHMOOD Jemila (Ed.), *Restoring Humanity. Global Voices Calling for Action*, New York: United Nations, 2015, 173p., here: p. 28.

²⁵⁴ Cf. *Ibid.*, pp. 28-91.

²⁵⁵ *Ibid.*

²⁵⁶ See, for example, the introductions of the evaluation reports in section III as well as the introduction parts of nearly all documents used in this section.

²⁵⁷ Cf. *Submission from Médecins du Monde : Serving the needs of people in conflict*, Geneva: ICVA, 4p..

²⁵⁸ Cf. *Operational Guidance and Toolkit for Multipurpose Cash Grants*, p. 42.

²⁵⁹ Cf. LEHMANN Christian, MASTERSON Daniel, *An Impact Evaluation of the 2013-2014 Winter Cash Assistance Program for Syrian Refugees in Lebanon*, Beirut: International Rescue Committee, August 2014, 43p., here: pp. 5-36.

which include clear defined outcomes and indicators to measure the program's success. The typical anticipation of program outcomes, for instance, is also manifest in MPCTs. ECHO underlines that "a clear and comprehensive analysis of beneficiary needs and priorities is essential to understand how cash transfers are expected to be used"²⁶⁰. Hence, MPCTs constitute a controlled and planned shift of decision-making power to the beneficiary, whose freedom of choice is relativized by the European agency's insistence on the necessity to

*"ensure through assessments, targeting, selection methods and outcome indicators that beneficiaries will be able to use cash to reduce their vulnerability and limit negative coping mechanisms."*²⁶¹

Although trusting beneficiaries "to make sensible choices in their best interests"²⁶², the reduction of NCMs is claimed to require basic needs to be covered in a predictable way. Nothing is said about the measures to be taken if choices are not fulfilling the aforementioned criteria but it is clear that not any choice is considered to be a good one.²⁶³

1.5 Conclusion

In this section, I tried to sketch an overall picture of the ideas behind MPCT programming. Chapter 1.2 revealed a strong dominance of Western actors in the elaboration of the "cash agenda", with a particularly strong leadership of ECHO in MPCT programming. Taking the example of the term "accountability", I alluded to the cultural dimension of words with the intention to reveal the problematic of, in this case, predominantly Western actors fixing the criteria for a successful humanitarian action worldwide. Once the main actors have been presented, chapter 1.3 picked up the most urging humanitarian problems, coming to the conclusion that these mainly consist of a combination of lacking resources and increasing caseloads. Chapter 1.4 then revealed how MPCTs are presented as a solution for these problems. Aiming to achieve more while also recognizing the insufficiency of funds, proponents of MPCTs particularly stress the effectiveness and efficiency of this cash modality. MPCTs presumably benefit this aim by offering a more localized and holistic response as well as a more durable solution by reducing NCMs, connecting with existing social safety nets or by creating the conditions for the introduction of a state-led social safety net. They further offer the possibility to reduce administrative costs as well as to empower the individual. The *empowerment* of the latter is thought of in economic terms and involves the improvement of his purchasing power as well as of his access to financial payment technologies. Hence, humanitarian aid provided in the form of MPCTs is directed to the support of market exchanges, which involve a simple and impersonal interaction between at least one buyer and one seller. The latter provides a product or a service that the other person pays with money. Unlike in nonmarket exchanges, the personal engagement of both parties is low, and their exchanges have no effects on other people.²⁶⁴ Thus, MPCTs only work and make sense in market economies.

²⁶⁰ LEHMANN Christian, MASTERSON Daniel, *An Impact Evaluation of the 2013-2014 Winter Cash Assistance Program for Syrian Refugees in Lebanon*, p. 16.

²⁶¹ Ibid.

²⁶² Ibid, p. 11.

²⁶³ Cf. Ibid, pp. 7-16.

²⁶⁴ A market economy differs in this point from a nonmarket economy based on the exchange of gifts for example. In an article published in 1997, the economic historian Avner Offer distinguishes between gifts that are transferred unilaterally, giving the example of the non-profit sector and its functioning, and gifts that are based on reciprocity. Examples for the latter are the *kula* system of gift exchange in the South Pacific or the potlatch rite described by Mauss.

As far as the discourse about this cash modality is concerned, MPCTs as a solution to current humanitarian challenges and problems is based on both cognitive and normative ideas. Cognitive because MPCTs as an innovation, that is to say a “new way of working”, respond to the recognition of a flawed system that needs to be changed, resorting thereby to certain scientific disciplines (economics for example) and technical practices (electronic transfers). Normative because the terms “dignity” and “choice”, for instance, represent strong values that attribute a moral judgement to the change in progress while also legitimizing it. It is important to notice that dignity, a concept enshrined in the Universal Declaration of Human Rights, is now associated with choice, responsibility, preferences and flexibility. The preservation of beneficiaries’ dignity has certainly been, at least implicitly, an aim or desired side effect of humanitarian action before, but now it is explicitly forwarded and linked to some typical characteristics of modern Western and capitalist, individualistic society. In short, the cognitive ideas advanced by MPCT proponents provide a rational explanation for the value of this form of assistance while the normative ideas appeal to the idealism of its respective target group. Finally, on the level of discourse, the documents examined are indeed publicly accessible via internet, but they rather address a professional public, notably donors or other humanitarian actors. Therefore, the discourse about MPCTs is a mainly coordinative one, meaning that it takes place between individuals and groups that create, elaborate and justify the programs.

Section III: Multipurpose Cash Transfers in Practice

MPCTs are supposed to be more efficient and effective by enhancing a closer cooperation between actors across clusters and by reducing beneficiaries NCMs amongst others. They are further believed to be more valued by recipients of humanitarian assistance, and thus more dignifying, and to stimulate local markets, creating thereby a stronger resilience of crisis- or disaster-affected populations. These assumptions are now to be verified in this section. Chapter 1.1 will briefly present the six chosen case studies. On the basis of evaluation reports and other reports, chapters 1.2 and 1.3 will then reveal the positive as well as the negative or disappointing results and aspects as described by the reports themselves. In the last chapter of this section, these findings will finally be judged against the background of the ideas and assumptions presented in section II.

1.1 The programs

Respectively two of the programs presented have been carried out in either Asia (Lebanon, Philippines), Africa (Zimbabwe, DRC) or Europe (Turkey, Ukraine). And respectively two of the them are responding either to protracted crises (Ukraine, DRC), massive migrant influxes in countries close to conflict settings (Lebanon, Turkey) or to natural disasters/phenomena (Philippines, Zimbabwe). Some programs have already ended, some others are still running. Furthermore, most of the MPCTs presented here are complemented by other humanitarian activities, which caused confusions in the analytic process. In addition, many programs are prolongations or extensions of precedent ones and it is important to clarify at this point that this chapter only considers one specific, evaluated or monitored implementation phase. Each one will be specified in the upcoming paragraphs. Lastly, the examined programs, or program

Cf. OFFER Avner, “Between the gift and the market: the economy of regard”, *Economic History Review*, 1997, vol. L, n°3, pp. 450-476.

phases, are differing in scope and size. Those that address cross-border migration are strikingly longer and larger than those that respond to internal displacements or natural disasters/phenomena. In the following, each program will be briefly summarized, including its donor and implementing organizations, its duration and number of beneficiaries, as well as its transfer value, delivery mechanisms and objectives. This information is further bundled in a table in the annexes (Annex 2, 1.3 “Case Studies”).

Lebanon has hosted many humanitarian CTPs in recent years, especially since the beginning of the conflict in Syria and its economic spillover effects on Lebanon.²⁶⁵ For this thesis, I chose to examine the MPCA carried out by the 2014 established Lebanon Cash Consortium (LCC), comprising the six INGOs SC (Consortium Lead), the International Rescue Committee (IRC), ACTED, Care International (CI), Solidarités International, and World Vision (WV). The organizations founded the consortium in order to bundle their resources and to jointly distribute large-scale cash transfers, notably MPCTs. The LCC’s response is a part of the Lebanon Crisis Response Plan (LCRP) and the consortium participates in the Basic Assistance Working Group (BAWG), chaired by the Lebanese Ministry of Social Affairs (MoSA) and UNHCR. Its contribution, which is funded by DFID and ECHO, is directed towards the achievement of the first desired outcome of the BAWG plan:

“Targeted severely economically vulnerable populations have improved access to essential goods and services of their choice in a safe, dignified, and empowered manner without increased negative coping mechanisms”²⁶⁶

The SMEB has been fixed at \$ 175 (260.000 LBP) per family/month and is intended to complete the monthly income of vulnerable Syrian refugee households living outside of camps.²⁶⁷ Since 2014, the LCC cooperates with WFP on the so-called OneCard, an electronic card that reunites all financial assistances a beneficiary receives from different organizations. The card allows them to either use POS terminals to buy food assistance or use ATMs to withdraw cash. The OneCard operates through a platform made available by the Banque Lebanese Française (BLF) and managed by WFP.²⁶⁸ In December 2016, the OneCard (MasterCard) was brought to a higher level when the LCC joined forces with the UN organizations UNICEF, UNHCR and WFP to bring to life a common delivery system, the Lebanon One Unified Inter-Organizational System for e-Cards (LOUISE).²⁶⁹ Once again, the common platform is managed by WFP and is indirectly accessible²⁷⁰ to its partner organizations, amongst them SCI as the LCC’s leading organization.²⁷¹ However, only the program’s results of 2015 will be evoked here.

²⁶⁵ Cf. PONGRACZ Sophie, *Annex B: Lebanon Case Study*, Oxford: Cash Learning Partnership, 2011, <http://www.cashlearning.org/downloads/annex-b-lebanon-cash-vfm-case-study-final-feb-11.pdf> [25.03.2018].

²⁶⁶ EL KHOURY Jamil, HAJAL Diala, *MEB and SMEB Revision: Community Consultation*, Beirut: Lebanon Cash Consortium, July 2016, 38p, here: p. 5

²⁶⁷ Cf. BATTISTIN Francesca, *Impact Evaluation of the Multipurpose Cash Assistance Programme*, Beirut: American University of Beirut, 12.03.2016, 80p, here: p. 2.

²⁶⁸ Cf. *Evaluation of the OneCard Pilot in Lebanon*, Geneva/Rome: UNHCR/WFP, November 2015, 31p, here: p. 6.

²⁶⁹ More information on LOUISE can be found on the system’s own website: iamlouise.com

Cf. *Country Strategic Plans – Lebanon (2018-2020)*, Rome: WFP, 03.05.2017, WFP/EB. A/2017/8-A/2* (2017), here: p. 18.

²⁷⁰ Meaning that it accesses the platform via a subaccount and its relationship with the bank is intermediated by WFP as the platform manager.

²⁷¹ Cf. *Evaluation of the OneCard Pilot in Lebanon*, p. 7.

The humanitarian response to the internal displacements caused by the ongoing conflict between Russian-backed separatists and Ukrainian forces in eastern Ukraine since 2014 also involves a wide range of actors and programs. This thesis only takes a closer look at the “Multipurpose Cash Transfers to internally displaced persons in Ukraine” program, which was funded by the Government of the Federal Republic of Germany and carried out by the IOM in 2016. It aimed to

“prevent vulnerable families from resorting to negative coping strategies and ensure the immediate response to cover the basic needs of IDPs left without the financial means to maintain living standards in displacement in safety and dignity.”²⁷²

The IOM targeted vulnerable IDPs in 13 regions of Eastern Ukraine who received MPCA between June and December 2016. The period of assistance was divided in two phases. In the first phase, starting in June 2016 and ending in August of the same year, 4.362 IDPs received individually around 70 € (1980 Ukrainian hryvnia - UAH) per month. This is a little bit above the Ukrainian subsistence level of this period, which amounted to 1.560 UAH.²⁷³ The second phase covered the months from September to December 2016 and saw the same transfer value going this time to 5.807 IDPs. In the Post Distribution Monitoring (PDM) report of December 2016, no bank or other financial service provider was mentioned.²⁷⁴ However, a briefing note concerning IOM’s unconditional cash assistance of 2015 and 2016 states that all cash-based assistance, if possible, was implemented through the Ukrainian bank Ukrexim.²⁷⁵ This financial service provider was probably used as well for the MPCTs in question. Nevertheless, a clear information on the delivery mechanism used in this MPCT program could not be found.

One MPCT program of an unprecedented scale and scope is the ESSN in Turkey, which was launched on a nationwide scale in December 2016 and is still ongoing.²⁷⁶ It is coordinated by the Turkish Disasters and Emergency Management Presidency (AFAD) and implemented by the WFP in cooperation with the Turkish Red Crescent (TRC), and the Turkish Ministry of Family and Social Policies (MoFSP).²⁷⁷ The assistance is funded by the European Union and its member states through ECHO and addresses vulnerable refugee families (female-headed households and households with elderly or disabled people are prioritized) who are registered in Turkey and who are under international or temporary protection. It provides each beneficiary with an ATM debit card (MasterCard), the so-called Kizilaykart, which is issued by the Turkish state-owned bank Halkbank and charged with ca. 28€ (100 Turkish Lira - TL) per person/month²⁷⁸. The ESSN aims to help its beneficiaries covering their basic needs without

²⁷² *Multipurpose Cash Transfers to Internally Displaced Persons in Ukraine. Post Distribution Monitoring of 2nd Round of Cash Assistance to IDPs in 13 regions of Ukraine*, Geneva: International Organization for Migration, December 2016, 15p., here: p. 1.

²⁷³ Cf. *Ukraine Recommended Multipurpose cash transfer guidance/value (Final Copy)*, New York: OCHA, May 2017, https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/guidance_note_on_meb.pdf [26.03.2018], p. 3.

²⁷⁴ Cf. *Multipurpose Cash Transfers to Internally Displaced Persons in Ukraine. Post Distribution Monitoring of 2nd Round of Cash Assistance to IDPs in 13 regions of Ukraine*, pp. 1-2.

²⁷⁵ Cf. *IOM Cash-Based Transfer. Update and Case Studies – November 2015*, Geneva: International Organization of Migration, November 2015, 35p., here: pp. 32-34.

²⁷⁶ Cf. *Refugees in Turkey: Comprehensive Vulnerability Monitoring Exercise (Round 1)*, Ankara: World Food Program, 19p., here: p. 3.

²⁷⁷ The EU’s Directorate General of Migration Management (DGMM) and Directorate General of Population and Citizenship (DGPC) are also participating in the ESSN program.

²⁷⁸ This sum has been increased in the meantime due to higher inflation rates.

having to resort to NCMs while promoting social cohesion and exerting a positive impact on host communities by inducing beneficiaries to boost the local economy with their newly gained purchasing power.²⁷⁹ By September 2017, the ESSN has reached one million beneficiaries.²⁸⁰ Thus, it is by far the largest MPCA that has ever been implemented and “the biggest humanitarian project that the EU has ever funded”²⁸¹. Given the fact that the ESSN only started in late 2016, the evaluation report of its first year is still in the making²⁸² and therefore this thesis can only take into consideration some successes and challenges mentioned in the quarterly monitoring reports of the year 2017.

A far smaller MPCA was carried out by Mercy Corps between January 2014 and February 2015 as a response to the devastating consequences of typhoon Haiyan in the Philippines. The TabangKO (‘my help’) program aimed to “address the outstanding needs of households affected by Typhoon Haiyan”²⁸³ and reached a total of 25.480 households in the provinces of Northern Cebu and Western and Eastern Leyte. The cash assistance was disbursed, for the purpose of evaluation, in one single installment for some beneficiaries and in three installments for some others (May/June, August and September of 2014). For the disbursement, Mercy Corps teamed up with the mobile micro savings bank BPI Globe BanKO, whose mobile platform the program used to transfer the money. Beneficiary households received a total of approximately \$ 89 (3950 Philippine Pesos)²⁸⁴ – either all at once or in three installments.²⁸⁵ This mobile money cash-assistance program was recognized by the GSM Association’s 2015 Global Mobile Award for “Best use of Mobile in Emergency or Humanitarian Situations”, praised especially for its added financial education to “help improve longer-term development goals”.²⁸⁶

Mobile money was also a part of the United Nations Children’s Fund’s (UNICEF) ARCCII program, which it carried out in partnership with Concern Worldwide, Solidarités international and Mercy Corps between March 2013 and September 2015 in the Democratic Republic of Congo, more precisely in the provinces of Nord Kivu and Orientale. However, this complex program involved five different delivery mechanisms, including, besides mobile network operators (MNOs), local savings and loan cooperatives or microfinance institutions (MFIs), private-sector money transfer organizations, local traders, or NGOs themselves (cash in envelopes). Which delivery mechanism was used depended on the context and market dynamism. The implementation was divided in two phases. In the first phase (February-September 2014), 11.572 households received between \$ 110 and 135. In the second phase (October 2014-April 2015), 11.908 households received between \$ 110 and 120. In both phases, beneficiaries received the money either at once or in three installments, whereby they obtained

²⁷⁹ Cf. *FAQ on Emergency Social Safety Net*, Ankara: World Food Program Turkey, December 2016, 2p.

²⁸⁰ Cf. *Refugees in Turkey: Comprehensive Vulnerability Monitoring Exercise (Round 1)*, p. 3.

²⁸¹ Cf. *About the ESSN Card*, Rome: World Food Program, 2017, <https://www.essncard.com/about-card/> [25.03.2018].

²⁸² Cf. Website of the Oxford Policy Institute: <https://www.developmentanalytics.org/program-policy-evaluations> [26.03.2018].

²⁸³ *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. 7.

²⁸⁴ According to the Philippines Statistics Authority, in 2015, a family of five needed at least PhP 6,329, on average, every month to meet the family’s basic food needs and at least PhP 9,064, on average, every month to meet both basic food and non-food needs. (<https://psa.gov.ph/content/poverty-incidence-among-filipinos-registered-216-2015-psa> [26.03.2018].

²⁸⁵ Cf. *Ibid.*

²⁸⁶ *Mercy Corps recognized for providing e-transfers to 25.000 Typhoon survivors in the Philippines*, New York: Better Than Cash Alliance, 31.03.2015, <https://www.betterthancash.org/news/blogs-stories/mercy-corps-recognized-for-providing-emergency-e-transfers-to-25000-survivors-after-typhoon-haiyan> [24.03.2018].

50% of the total transfer by the first installment and respectively 25% of it in the last two ones. Apart from meeting the basic needs of conflict-affected households, the program desired to reduce vulnerabilities and to “improve family well-being as a result of increased access to basic goods, services and livelihood opportunities through continued use of multi-sector CBA [cash-based assistance]”²⁸⁷. The ARCCII program not only involved MPCTs but also provided vouchers and a combination of both. In total, MPCTs accounted for 63% of the assistance delivered under the ARCCII program. It was funded by DFID.²⁸⁸

The latter also financed the “Emergency Cash-First Response to Drought-Affected Communities in the Southern Provinces of Zimbabwe” implemented by CI and WVI between August 2015 and May 2017. 67.200 households initially received on average around \$554.68 through seventeen mobile payments, each individual receiving \$ 5. The scope of the program was extended in May 2016, disbursing henceforth \$ 7 per individual and including 73.718 households. For the delivery of money, CI and WVI contracted the two national mobile money operators Econet and government-owned NetOne.²⁸⁹

There are several aspects that require a deeper analysis but that cannot be treated here due to limitations in the scope of this thesis. Given the focus of this work, notably the potential of MPCTs to empower beneficiaries, the following subchapters present the programs’ positive results as well as the challenges and unsatisfying results in relation to their beneficiaries.

1.2 Positive results

The positive results of the six programs can be categorized in six domains: coordination/program design, resilience/NCMs, protection, financial inclusion/literacy, local economy, and beneficiary satisfaction (see Annex 2, 1.4 “Positive and negative results”). Not all documents provided information on the program results for each domain. As far as the coordination and program design are concerned, two humanitarian responses included, or at least mentioned, an exit strategy. In Turkey, the WFP works closely together with national authorities, supporting the country’s own social safety net with the ESSN program.²⁹⁰ In Ukraine, the state itself provides a cash assistance to the internally displaced population, amounting to \$22 per able-bodied family member. IOM and other organizations support this government-led social protection program with their respective CTPs.²⁹¹ In these cases, the hosting state keeps a control over the response and is supposed to fully take over once the situation calms down. In two other countries, the respective program led at least to a humanitarian follow-up program. In the Philippines, for example, the TabangKO emergency aid program was complemented by the financial inclusion program SimulaKO, which runs on the cash disbursement platform of the former.²⁹² Meanwhile, in Lebanon, the LCC adhered to

²⁸⁷ BONILLA Juan, CARSON Kaitlin, KIGGUNDU Gilbert, MOREY Mitchell, RING Hannah, *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF’s ARCCII Programme*, Washington DC: American Institutes for Research, April 2017, 143p, here: p. 17.

²⁸⁸ Cf. Ibid, pp. 11-19.

²⁸⁹ Cf. BAILEY Sarah et al, *Zimbabwe ‘Cash First’ Humanitarian Response 2015-2017. Evaluation report*, Oxford: Oxford Policy Management, June 2017, 107p, here: pp. ii-14.

²⁹⁰ Cf. *Turkey Country Brief*, Ankara: WFP Turkey, January 2018, 2p, here: p. 1.

²⁹¹ Cf. BAILEY Sarah, AGGISS Ruth, *The politics of cash: a case study on humanitarian cash transfers in Ukraine*, London: Overseas Development Institute, December 2016, 20p., here: p. 8.

²⁹² Cf. *Mercy Corps in the Philippines*, Portland: Mercy Corps, March 2013, <https://www.mercycorps.org/sites/default/files/PhilippinesFactSheet.pdf> [27.03.2018].

a common delivery system, LOUISE, in late 2016. This delivery system is still in place.²⁹³ On the other hand, CI also cooperated with local government staff in Zimbabwe but there is no information provided on the sequel to the program's end in the reports.²⁹⁴ Those exit strategies do not represent an outcome, but they imply a longer-term commitment which might result in one. As far as the coordination of the program is concerned, the drought response in Zimbabwe showed itself effective in regard to monitoring and accountability. According to the Oxford Policy Institute, "[t]he monitoring system was a core strength of the program[me] as it made possible to assess how beneficiaries' outcomes were changing over time"²⁹⁵. In addition, a "comprehensive accountability system"²⁹⁶ enabled feedback and ensured timely adjustments. Moreover, the division of funding in two phases was considered positive for the programs' results given that it gave implementing organizations the time to "learn, adapt and modify"²⁹⁷. The lessons learned during this time led, amongst others, to more verifications in the targeting process as well as to an increased transfer value and accountability, using gender and accountability focal points in the second phase of the program.²⁹⁸ In Lebanon, the actions of the consortium were submitted to the coordination of the BAWG and used the same transfer value and standardized approaches like the other organizations and agencies doing CTPs.²⁹⁹ A similar harmonizing role was ensured by the 2011 formed CWG in the DRC.³⁰⁰ Drawing from a previous program and having been preceded by two unconditional cash transfer (UCT) pilots, the ARCCII program was based on a robust fundament and could benefit from past experiences, especially concerning the functioning of local markets.³⁰¹ So far to the positive results in coordination and program design. The most documented positive results are those which concern the succeeded or failed reduction of NCMs and the improvement of beneficiaries' resilience. In their evaluation reports about the MPCT program of the LCC in Lebanon, Francesca Battistin and Jillian Foster detected positive outcomes concerning education, food security, health, and housing. Foster writes that, compared to children of the control group, those whose families received cash assistance were more likely to be enrolled at school, that their school attendance was more consistent and that they were less engaged in child labor. Battistin shows that LCC beneficiaries had higher consumption levels and Foster adds that the increased purchasing power of beneficiary households exerted a positive effect on the diversity of children's diet. As far as NCMs for food consumption are concerned, LCC beneficiaries needed to borrow food less frequently and could often avoid sending family members elsewhere

²⁹³ Cf. *Country Strategic Plans – Lebanon (2018-2020)*, Rome: WFP, 08.06.2017, WFP/EB.A/2017/8-A/2*, here: p. 18.

²⁹⁴ Cf. BAILEY Sarah, KARDAN Andrew, MORRIS Helen, SCOTT Molly, HARVEY Paul, *Zimbabwe 'Cash First' Humanitarian Response 2015-2017. Evaluation report*, Oxford: Oxford Policy Institute, June 2017, 107p., here: p. 45.

²⁹⁵ BAILEY Sarah, KARDAN Andrew, MORRIS Helen, SCOTT Molly, HARVEY Paul, *Evaluation findings, lessons and future thinking on cash transfers in Zimbabwe*, Oxford: Oxford Policy Institute, 8p., here: p. 4.

²⁹⁶ *Adaptable and effective: Cash in the face of multi-dimensional crisis. Lessons from Zimbabwe*, London: Care International, June 2017, 8p., here: p. 5.

²⁹⁷ *Adaptable and effective: Cash in the face of multi-dimensional crisis. Lessons from Zimbabwe*, p. 5.

²⁹⁸ Cf. *Ibid.*

Cf. BAILEY Sarah et al, *Evaluation findings, lessons and future thinking on cash transfers in Zimbabwe*, p. 4.

²⁹⁹ Cf. KEITH Amy Louise, *The cash debate in Lebanon*, London: Overseas Development Institute, 31.03.2017, <https://odihpn.org/blog/cash-debate-lebanon/> [14.02.2018].

³⁰⁰ Cf. BAILEY Sarah, *Humanitarian Cash Transfers in the Democratic Republic of Congo*, London: Overseas Development Institute, March 2017, 19p., here: p. 12.

³⁰¹ Cf. BONILLA Juan et al, *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF's ARCCII Programme*, April 2017, Washington DC: American Institutes for Research, 143p., here: pp. 16-20.

to eat. In addition, they struggled less to pay the rent or the heating costs.³⁰² In the PDM of the IOM's MPCT program in Ukraine, 78% of surveyed beneficiaries indicated that the response has "improved access to educational, healthcare, social, psycho-social and recreational services"³⁰³. In Turkey, the last monitoring report of the year 2017 reveals that the ESSN assistance could already significantly reduce the reliance of its beneficiaries on debts.³⁰⁴ Mercy Corps, in turn, stresses the increased ownership of small productive assets amongst beneficiaries of its single sum transfer in the Philippines. The livestock in which they could invest therewith is supposed to provide them with a minimum resilience for future shocks.³⁰⁵ The evaluation reports of the Overseas Development Institute and the American Institutes for Research (AIR) about the ARCCII program in the DRC also report several positive effects on food security and health, education, livelihoods, savings and debts, as well as household and community relations. The program is said to have improved women's decision-making power while strengthening the relations within the household and the community. ARCCII beneficiaries could increase their food expenditures, leading to a 53% decrease in households going to bed hungry and 17% less households going without food for a whole day. The reports also reveal that households including members that needed a medical treatment spent more on health expenditures while households with children often spent more on education, whereby the school enrolment for boys increased by 13%. Comparing the beneficiary group which received the money in one installment with that receiving it in several installments, the reports come to the conclusion that the latter "were three times more likely to use the transfer on school fees"³⁰⁶. However, Bonilla et al. specified that this could be related to the time in which the other group received the single transfer. Resembling Mercy Corps' experience, households receiving one single transfer invested more in livestock and housing than those receiving the same amount in several transfers. It could even increase by 12% the number of households that could earn an income from their own farm. Furthermore, the program could decrease the number of indebted households by 10%, while achieving that 16% of beneficiaries could save a part of the transfer.³⁰⁷ In their report about the MPCT program in Zimbabwe, Bailey et al. come to similar findings. The most significant change that beneficiaries experienced was an increase in their food consumption and the possibility to eat "a 'normal' diet"³⁰⁸. Some people are reported having used a part of the money to pay school fees, uniforms and school material, or having repaid school debts. The transfers also had positive results with regards to beneficiaries' livelihoods as they could buy inputs for their farms. Bailey et al. also underline that the MPCTs allowed its recipients to spend more time on their own fields as they did not need to seek labor elsewhere.³⁰⁹ In total, CI and its partner organizations could reduce their

³⁰² Cf. FOSTER Jillian J., *Impact of Multipurpose Cash Assistance on Outcomes for Children in Lebanon*, Brussels: ECHO, November 2015, 63p., here: p. 6.

Cf. BATTISTIN Francesca, *Impact Evaluation of the Multipurpose Cash Assistance Programme*, pp. 24-31.

³⁰³ *Multipurpose Cash Transfers to Internally Displaced Persons in Ukraine. Post Distribution Monitoring of 2nd Round of Cash Assistance to IDPs in 13 Regions of Ukraine*, p. 15.

³⁰⁴ Cf. *Quarter 4 2017 Monitoring Report*, Ankara: WFP Turkey, 2017, 6p., here: p. 4.

³⁰⁵ Cf. *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. 3.

³⁰⁶ BONILLA Juan et al, *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF's ARCCII Programme*, p. 52.

³⁰⁷ Cf. BONILLA Juan et al, *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF's ARCCII Programme*, pp. 45-66.

³⁰⁸ BAILEY Sarah et al, *Zimbabwe 'Cash First' Humanitarian Response 2015-2017. Evaluation report*, Oxford: Oxford Policy Institute, June 2017, 107p, here: p. iv.

³⁰⁹ Cf. *Ibid.*

beneficiaries' NCMs by 21.7%. The response was also considered to be a success in terms of gender and social dynamics as the decision-making at the household level was often done in consultation with the partner.³¹⁰ Several monitoring and evaluation reports also revealed successful protection outcomes. The study carried out by Foster in Lebanon, for example, finds that MPCA has reduced protection-specific insecurity for adults by 4.5%, with similar effects on children. The reduction in perceived insecurity, in turn, positively affected beneficiaries' psychosocial well-being.³¹¹ Battistin also adds that recipients felt more trusted in their host community.³¹² Lastly, in the DRC, AIR came to the conclusion that

“[t]he increased food security, school enrolment, access to health care for children and resiliency of beneficiary households also demonstrated that the transfer had protective benefits.”³¹³

Other results which are important to summarize for this thesis are those in relation to financial inclusion/literacy and the local economy. Unfortunately, only a small proportion of reports analyzed the respective program's results in these two domains. The only program which explicitly pursued the aim of improving the financial inclusion of its beneficiaries was the TabangKO program in the Philippines, which introduced “an under-banked population to formal banking products”³¹⁴. While all beneficiaries received a short financial literacy overview during the beneficiary registration events, some of them also received regular voice messages on their mobile phones, which encouraged recipients to save money. The program's evaluation concludes that, over the time, this can positively affect financial behaviors and thereby contribute to people's resilience.³¹⁵ In Zimbabwe, evaluations reveal that the program increased beneficiaries' exposure to mobile money while also improving their understanding of it. More people owned SIM cards and handsets at the end of the program and due to the long duration of the intervention, beneficiaries disposed of enough time to become familiar with the technology. Some people were also encouraged to get themselves official identity documents, as this was a requirement for registering SIM cards and for opening a mobile money account. However, all these results were presented under the heading “unintended results and other findings”³¹⁶. Given the fact that CTPs are praised for stimulating local economies, remarkably few reports offered an analysis of the MPCT programs' result in this domain. Only the reports on Zimbabwe's MPCA provide some specific information on the program's results with regard to local markets. Evaluators assessed, amongst others, how the cash transfers affected village shops and shops in towns and cities as well as mobile money agents. Especially village shops in remote areas benefited indirectly from the program as they did not have competing shops nearby. The increasing demand induced some of the shopkeepers to make more goods available and some even opened new shops nearby. Most of them were registered as mobile money merchants and used mobile money to purchase goods at wholesalers themselves. Nonetheless, people living near towns preferred to travel to the shops there, as these offered lower prices. Shopkeepers in towns and cities could therefore considerably increase their turnover, mostly

³¹⁰ Cf. *Adaptable and effective: Cash in the face of multi-dimensional crisis. Lessons from Zimbabwe*, pp. 4-5.

³¹¹ Cf. FOSTER Jillian J., *Impact of Multipurpose Cash Assistance on Outcomes for Children in Lebanon*, p. 7.

³¹² Cf. BATTISTIN Francesca, *Impact Evaluation of the Multipurpose Cash Assistance Programme*, p. 25.

³¹³ BONILLA Juan et al, *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF's ARCCII Programme*, p. 12.

³¹⁴ *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. 5.

³¹⁵ Cf. *Ibid.*, pp. 4-5.

³¹⁶ BAILEY Sarah et al, *Zimbabwe 'Cash First' Humanitarian Response 2015-2017. Evaluation report*, p. 61.

doubling it. Finally, local mobile money agents were considered “big winners”, at least when beneficiaries cashed out. In this case, the agents received a part of the fees charged by MNOs. If, for example, the agents’ commission amounted to 1% and \$20 million were cashed out in the course of the CTP, they had an income of \$200,000.³¹⁷ Finally, some evaluations included questions about beneficiaries’ satisfaction with the program. In Zimbabwe, 74.2% of respondents declared themselves to be “satisfied or totally satisfied at endline”³¹⁸. According to the PDM report of IOM in Ukraine, 99% of respondents were satisfied or even totally satisfied with the distribution process and 93% were satisfied with the transfer value. On the other hand, “only” 76% of households said that the transfer value covered their basic needs.³¹⁹

1.3 Challenges/unsatisfying results

Obviously, the stimulation of local markets as well as the financial inclusion of beneficiaries do not seem to have been a primary concern for implementing humanitarian organizations. Instead, the focus clearly lies on beneficiaries’ access to consumption goods and services. An exception in this point is Mercy Corps’ TabangKO program in the Philippines, which ranked the improvement of dietary diversity and the reduction of NCMs as “secondary outcomes”, seeking primarily to improve beneficiaries’ investment in productive assets and their overall financial behaviors, notably their saving habits. However, the results of the desired “primary outcomes” can be considered disappointing. The report states that most of the beneficiary households have not fully recovered from the typhoon at the end of the response. Only 45% of the respondents have “‘somewhat’ repaired their home”³²⁰ and 76.5% of them reported having “somewhat recovered but are still worse off than before Haiyan”³²¹. In the other programs as well, the response’s central problem was the relatively low transfer value. For a program that intended to “allow for investment in a wide array of household or income-generating assets that would expedite recovery”³²², the transfer value in the Philippines, and only the single sum transfer value, simply endowed beneficiaries to invest in small productive assets. Final survey data shows that the MPCT had no impact on the ownership of large livestock assets or work equipment. Furthermore, MPCT recipients did not use more qualitative materials for (re-)constructing their homes than non-recipients. The report admits itself that this is “likely due to the size of the transfer itself”³²³, which corresponded to an income of one to two months for most beneficiary households surveyed.³²⁴ The same conclusion is drawn by Jillian Foster in the case of the LCC response in Lebanon. She asserts that

*“[t]he relatively small size of M[P]CA assistance as compared to the cost of living in Lebanon is likely minimizing any potential impact on shelter and negative coping strategies.”*³²⁵

³¹⁷ Cf. BAILEY Sarah et al, *Zimbabwe ‘Cash First’ Humanitarian Response 2015-2017. Evaluation report*, pp. 47-61.

³¹⁸ *Adaptable and effective: Cash in the face of multi-dimensional crisis. Lessons from Zimbabwe*, p. 4.

³¹⁹ *Multipurpose Cash Transfers to Internally Displaced Persons in Ukraine. Post Distribution Monitoring of 2nd Round of Cash Assistance to IDPs in 13 Regions of Ukraine*, p. 15.

³²⁰ *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. 6.

³²¹ Ibid.

³²² Ibid, p. 7.

³²³ Ibid, p. 23.

³²⁴ Cf. Ibid, pp. 6-23.

³²⁵ FOSTER Jillian J., *Impact of Multipurpose Cash Assistance on Outcomes for Children in Lebanon*, p. 7.

The evaluation of Battistin reveals a very mitigated result. According to her findings, the higher food consumption achieved through the program has not resulted in greater food security. On the contrary, not a single food security-related indicator was “significantly impacted by LCC cash assistance”³²⁶. Similarly, the results presented by the IOM’s PDM report seem so poor that I checked several times whether the percentages representing the amount of survey respondents resorting to NCMs were related to the situation before or after the delivery of cash assistance, especially having in mind the positive beneficiary feedback presented earlier. However, as the name of the report indicates, the survey was carried out after the distribution process. Thus, respondents had already received MPCA. Despite the cash assistance provided by IOM, 39% of all respondents still had to reduce the size of their meals, 40% renounced medical treatment or the purchase of medicine due to a lack of funds, and 32% of respondents could not afford to buy winter clothes, wearing inappropriate clothing during this season of the year. A possible explanation for this weak impact could be found in the increase of approximately 4% in the average rent and utilities cost between the PDM report of the first phase of cash assistance and that presented here.³²⁷ Unfortunately, the report does not provide information about the spending patterns of beneficiaries and therefore the reasons for this weak outcome remain subjected to speculations. In Turkey, the worsening economic situation causes difficulties for adult refugees to find labor so that these often need to resort to the NCM of child labor, taking their children out of school in order to send them to work.³²⁸ In the DRC, the MPCA also failed to create a sustainable resilience amongst beneficiaries, who reported ongoing financial constraints. Overall, several problems defined at baseline were still a burden at endline. NCMs continued to be mobilized in response to ongoing problems such as “drought, plant diseases, loss of crops, loss of housing and looting”³²⁹. Lastly, in Zimbabwe several NCMs could not be significantly mitigated such as reductions in education and health care expenditure. Some beneficiaries could not only not reduce their debts in school fees but were sometimes even more indebted at endline as they still could not afford these fees after the delivery of the cash assistance. Once again, this certainly is the consequence of a transfer sum that does not suffice to achieve more than cover temporary basic needs. What is more, investments in crops were often annihilated by heavy rainfalls. As far as the impact on the local economy is concerned, the program evaluators state that a significant part of the expenditures benefited Zambian and South African wholesalers as well as transporters due to the fact that the food often originated from these two countries and had to be imported.³³⁰ Two reports also mentioned problems concerning financial inclusion, notably Mercy Corps’ evaluation report of the TabangKO program and Bailey’s evaluation report of CI’s program in Zimbabwe. Mercy Corps writes that

*“[t]he introductory financial literacy overview given during registration events did not have any effect on the savings behavior of beneficiaries.”*³³¹

³²⁶ BATTISTIN Francesca, *Impact Evaluation of the Multipurpose Cash Assistance Programme*, p. 22.

³²⁷ Cf. *Multipurpose Cash Transfers to Internally Displaced Persons in Ukraine. Post Distribution Monitoring of 2nd Round of Cash Assistance to IDPs in 13 Regions of Ukraine*, pp. 11-12.

³²⁸ Cf. *Quarter 4 2017 Monitoring Report*, p. 4.

³²⁹ BONILLA Juan et al, *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF’s ARCCII Programme*, p. 55.

³³⁰ Cf. BAILEY Sarah et al, *Zimbabwe ‘Cash First’ Humanitarian Response 2015-2017. Evaluation report*, p. 58.

³³¹ *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. 4.

The report itself comes to the conclusion that more engagement is required if one wants to improve beneficiaries' financial aptitudes and convince them to increase their savings and investments.³³² In the case of the drought response of CI in Zimbabwe, Bailey also concludes that at endline, some beneficiaries were not capable of conducting money transactions independently and had to rely on shopkeepers or mobile money agents to carry them out. This entails risks such as fraud and money deviation. Furthermore, the program only contributed marginally to the increase in financial inclusion of recipients.³³³ Finally, many reports mentioned problems or challenges in coordination and programming. In Lebanon, cash programming specialists were missing meaning that no baseline market assessment was undertaken. The "last-minute stove market assessment" that was then unavoidably established was not followed. Moreover, the transfer value was oriented at sector-specific needs and did not include a consideration of the gap in the respective household's income.³³⁴ In Turkey, one of the biggest challenges faced by the implementers is the lack of translators which slows down the implementation process. Missing bureaucratic requirements like the proof of address as well as overwhelmed local authorities pose considerable obstacles to the application and registration process. However, those are rather general implementation problems than problems of coordination and programming. Concerning these two aspects, the monitoring reports reveal that Social Assistance and Solidarity Foundations (SASFs) – where beneficiaries had to apply for assistance - used different application forms than those initially agreed upon. In some places, these were exclusively in Turkish. This presumably communication-related problem is accompanied by that of an inadequately trained SASF staff, which only received a sort of online crash-course and manifested missing knowledge about some ESSN related procedures – especially in rural offices. In addition, many refugees and asylum seekers remained either unaware of the ESSN assistance or only marginally understood the ESSN and its application procedure. Misunderstandings could also be detected amongst host communities which sometimes did not understand why they were not eligible for ESSN assistance. In one town of the Turkish province Hatay, some vulnerable Turkish people asked for similar assistance and in one province, the host community believed that the SASF was providing Syrians with Turkish money.³³⁵

1.4 Conclusion

Weighing the positive outcomes against the challenges and unsatisfying results, the general outcome of all six case studies is disappointing and sobering, especially given the hymns of praise that the position and strategy papers presented in section II have dedicated to MPCTs. Most of the positive results presented in the reports such as an improved dietary diversity or an increase in school enrollments does not at all explain why MPCA is more effective than in-kind assistance³³⁶. While an improvement of dietary diversity can be ensured by predetermined food

³³² Cf. *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. 4.

³³³ Cf. BAILEY Sarah et al, *Zimbabwe 'Cash First' Humanitarian Response 2015-2017. Evaluation report*, p. 29.

³³⁴ Cf. *Designing an inter-agency response in Lebanon*, London: Save the Children, 02.10.2014, 13p., here: p. 6.

³³⁵ Cf. *January 2017 Monitoring Report*, Ankara: WFP Turkey, January 2017, 6p., here: p. 6.

³³⁶ The evaluation reports did not even compare MPCT beneficiaries with in-kind beneficiaries. Instead, they either compared them with non-beneficiaries or with beneficiaries of lower cash transfers from other sources (Battistin, Lebanon; Ukraine; Zimbabwe). The evaluations of the TabangKO program in the Philippines and of the ARCCII program in the DRC even divided beneficiaries in different treatment groups to find out which form of MPCT is the most successful. In the DRC, only

packages as well, an increase in school enrollments can also be achieved with in-kind aid if the beneficiary household has some sort of income that it can invest in its children's education once it does not need to buy food from its revenue. Generally speaking, it is not astonishing when people receiving money can buy more or better food, services or small livestock. In a non-barter society, money is required to buy almost everything. Injecting cash therefore always achieves an increase in purchases as long as the injection is not accompanied by a disproportionately increasing inflation rate or an unavailability of the needed products. However, the cash injection itself does not make societies more resilient and is not a durable method if not accompanied by certain services and policies. Battistin's findings are revealing in this regard. She writes in her report that higher food consumption did not result in a better food security. As I have mentioned above, increasing food consumption and covering basic needs represents the basics of humanitarian aid and is far from satisfying the appeal of various documents speaking in favor of MPCA to create resilience amongst its beneficiaries. Findings like those of Battistin do not reveal any success in this regard. Not only do the MPCT programs considered in this section not help their beneficiaries to become more resilient in the long-term, they also show sobering results concerning the reduction of certain NCMs. Thus, child labor is still high in Turkey and Ukrainian recipients still had to reduce the size of meals and renounce to certain important services. And this only reflects the short-term results. The reduction of NCMs is caused by a temporary increase in revenue, which stops at the end of the cash transfer if the cash recipients do not find a job or another new income source in the mean-time. Of course, one can argue that humanitarian aid is not conceived to achieve long-term impacts and the program objectives, which are much more modest than the goals set by policy documents, seem to question this possibility themselves. In fact, comparing the policy goals with the respective program objectives, the priorities become clear. Already in the former, the priority was given to reduce costs and to become more effective with less money. Nevertheless, policy goals included a variety of legitimizing "side-objectives" like the *empowerment* of beneficiaries and their long-term resilience. Regarding these demanding objectives of humanitarian policies, the results presented by the examined reports are not satisfying. In comparison, the objectives of the six programs are incredibly modest and easy to accomplish. Apart from Mercy Corps, which aimed at the financial inclusion of its beneficiaries and the recovery of local markets as a positive side effect, none of the other programs considers long-term impacts in their objectives. The most prudent and modest objective was pursued by CI and WVI in Zimbabwe, whose intervention simply aimed at "ensur[ing] that beneficiaries could cope with food shocks and meet their basic food needs during the 2015/16 and 2017/18 agricultural periods"³³⁷. This shows in a refreshingly honest way the temporary impact and "simple" life-saving role of short-term emergency aid. In Lebanon, the LCC only tried to avoid an increase in NCMs and did not even mention a reduction of these in its program objective. Most of the programs sought to cover basic needs of vulnerable populations and reduce or avoid an increase in NCMs. As far as these modest objectives of the programs are concerned, the MPCTs in question were effective, meaning that the programs achieved an intended result. More doubt can be raised concerning their efficiency, at least as far as its interpretation in an immaterial sense is concerned. The output, understood here as the impact on beneficiaries' lives, does not exceed the input,

beneficiaries were surveyed whereby their well-being at the end of the program was compared to that at the beginning of the program.

³³⁷ *Adaptable and effective: Cash in the face of multi-dimensional crisis. Lessons from Zimbabwe*, p. 2.

understood here as the efforts of humanitarians. The MPCTs help beneficiaries to survive just as much as in-kind aid does for a limited period of time. It does not seem to prepare beneficiaries sufficiently for future shocks as policies intended it to do. The transfer value is too low to allow them more than to buy the most necessary items and, in most of the six countries, MPCTs are not integrated in a social safety net and do not entail a closer cooperation with government officials. For this meager result, humanitarians had to do complex market analyses, regularly monitor the developments on local markets, coordinate with various clusters and organizations and contract appropriate banks, microfinance institutions or MNOs. And all this in difficult contexts as well as in a time where this kind of humanitarian action is still new to many humanitarians, creating additional confusion and hardships. Finally, improved coordination between humanitarian organizations did only function to a certain extent and could often not overcome the cluster approach, which represents however a key argument for, and intention of, MPCT programming. Nevertheless, despite these mixed results, all reports still come to the conclusion that the program they report on was successful. An explanation for this might be found if one examines the programs' results from a donor-and implementer-centered perspective. Both are interested in keeping the costs low, in reaching as many beneficiaries as possible, in delivering effectively the aid foreseen, and – due to the increasing push towards the inclusion of private sector actors in humanitarian action – in engaging local, national or international companies and enterprises in the program implementation. All six MPCAs have reduced costs in logistics, eliminating for example those of food purchase, stockage and distribution. Nearly all programs chose quantity over quality, preferring to include more beneficiaries while keeping the transfer value relatively low. The predetermined aid was effectively delivered and local, national or international private or governmental financial institutions and service providers were integrated in the program implementation. The focus on quantity may not seem so positive but given the fact that donors, as well as humanitarian organizations, need to communicate their actions to a broader public, reaching a high number of beneficiaries can be an important output to advance in the justification of spending, especially in the case of governmental donors. Who in the donor states knows how far one can come with a certain sum in a poor country far away? And regarding the current discourse on migration in Europe, it is harder to sell European populations investments in long-term impacts for foreign aid recipients than it is to sell them life-saving measures.

The consequences of this prioritization will be further eluded in the upcoming chapter.

Section IV: MPCTs: Empowering³³⁸ for beneficiaries?

“We are guided by international guidelines and procedures that are based on an assumption that international systems will be used, with international actors in the lead; and we bring in international

³³⁸ The word “empowerment” often appears in the discourse of international organizations and has become over the years a vague term which sounds good but whose actual meaning seems forgotten. This thesis uses the original meaning of the term, which emerged in the 1960s/1970s in relation to marginalized communities. One of the key references of theories and publications about empowerment is Paulo Freire’s book “Pedagogy of the Oppressed” of 1968. “Empowerment” in the sense of Freire et al. means that oppressed or marginalized people are given the means to express themselves, to acquire power and overcome their domination. A “critical consciousness”, meaning the consciousness of one’s personal condition, is at the basis of a transformative process, in which the oppressed and marginalized populations are supposed to finally break off the unequal power relations.

*humanitarian tools and services that are tried and tested around the world but rarely described in national policies or rehearsed in national planning processes.*³³⁹

The two last phrases of this quote excerpted from SC's recommendations and commitments for the 2016 WHS contain a critique that directly concerns humanitarian MPCTs. Considered to be an innovation, they confront the humanitarian sector and its beneficiaries with new methods of operating and new tools to handle. This is exemplified inter alia by the publication of toolkits providing an overall guidance to humanitarians in the implementation of these cash transfers³⁴⁰ and the increasing reliance on private companies and banks for the provision and maintenance of services, devices and software³⁴¹. Given the level of experimentation³⁴² that MPCTs bring about, it is striking that local actors, particularly local NGOs and civil society organizations, were barely mentioned in the reviewed evaluation and monitoring reports. According to SC, these actors are still "under-represented in our humanitarian coordination structures"³⁴³, despite repeatedly expressed commitments concerning their support. The organization further regrets that incoming humanitarian organizations often do not assess the potentials of the local civil societies and realities.³⁴⁴ The MPCT programs reviewed are not constituting an exception. If there were some programs which cooperated with local government officials (notably in Turkey, Ukraine and in a smaller form in Zimbabwe), only one evaluation report explicitly mentioned a cooperation with local NGOs. The document in question however only indicates it in a footnote and reveals a limited role of local NGOs who only assist "in certain steps of the project cycle (e.g., community mobilization)"³⁴⁵. The transformative change that MPCTs bring to the humanitarian coordination architecture does not seem to favor local actors and is criticized by various organizations as making the competition for funds between NGOs fiercer and thus going at the expense of smaller and especially national and local organizations.³⁴⁶ This competition is particularly fueled and exacerbated by ECHO's reform regarding its funded MPCT programs, which intends to drastically reduce the number of organizations involved in the implementation of humanitarian programs.³⁴⁷ Lebanon is the first testing ground of this way of operating and will see its cash assistance to Syrian refugees simplified in the future.³⁴⁸ While

³³⁹ *Save the Children Policy, Recommendations and Commitments for the World Humanitarian Summit*, p. 15.

³⁴⁰ E.g. the "Operational Guidance and Toolkit for Multipurpose Cash Grants": <http://www.cashlearning.org/mpg-toolkit/> [28.04.2018].

³⁴¹ For more information, see the ODI report "Humanitarian cash transfers and the private sector" written by Sarah Bailey and Laura Gordon in 2015: <https://www.odi.org/publications/9709-humanitarian-cash-transfers-and-private-sector> [28.04.2018].

³⁴² Defined here as the action or process of trying out new ideas, methods, or activities.

³⁴³ *Save the Children Policy, Recommendations and Commitments for the World Humanitarian Summit*, p. 15.

³⁴⁴ Cf. *Ibid.*

³⁴⁵ BONILLA Juan et al, *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF's ARCCII Programme*, p. 29.

³⁴⁶ Cf. PARKER Ben, *Unconventional cash project challenges aid status quo in Lebanon*, Geneva: IRIN, 20.02.2017, <https://www.irinnews.org/investigations/2017/02/20/unconventional-cash-project-challenges-aid-status-quo-lebanon> [15.04.2018].

Cf. *Funding at the sharp end*, London: CAFOD, July 2013,

<https://reliefweb.int/sites/reliefweb.int/files/resources/CAFOD%20national%20ngo%20financing%20study%20July%202013%20%283%29.pdf> [03.05.2018], p. 14.

³⁴⁷ Cf. *Guidance to partners funded by ECHO to deliver large-scale cash transfers in the framework of 2017 HIPs and ESOP*.

³⁴⁸ DFID and ECHO plan to simplify cash transfers by only contracting one agency for the delivery of cash assistance and by leaving the Monitoring, Evaluation, Accountability and Learning (MEAL) and the remaining tasks (needs assessment, beneficiary registration, establishment and maintenance of a complaints/ appeals mechanism, etc.) to respectively one agency or a consortium of agencies (see: https://ec.europa.eu/echo/sites/echo-site/files/guidance_note_cash_23_11_2017.pdf [29.04.2018].

Cf. PARKER Ben, *Unconventional cash project challenges aid status quo in Lebanon*, Geneva: IRIN, 20.02.2017,

this reform might improve effectiveness and efficiency by avoiding a confusing involvement of a plethora of organizations loosely working together, it will probably make it harder for smaller organizations, unable to comply with the numerous administrative requirements, to access funds. This is particularly true for grassroots organizations who already now can barely obtain funds from the global north directly.³⁴⁹ Nevertheless, major donors like DFID and ECHO constantly stress the importance to put beneficiaries at the center of attention and are convinced that MPCTs do exactly that.³⁵⁰ In addition, as we have seen in section II, both donors believe in the capacity of MPCTs to make its beneficiaries more resilient for future shocks. But how do they want to achieve this without actively integrating local civil actors? In this last section, I intend to show how the priorities set by donors and IGOs/INGOs lead to the paradox of programs being considered successful without even having tackled constantly repeated policy objectives. Chapter 1.1 puts emphasis on the rational business model that humanitarian actors follow today and how its priorities are responding less to the demands of beneficiaries than to the requirements of a rationalized bureaucratic system in a neoliberal policy environment³⁵¹. The overemphasis on efficiency and effectiveness serves as one explanatory factor for the omission and neglect of data security concerns, presented in chapter 1.2.

1.1 Running humanitarian organizations like a business

The Belgian journal *La Revue nouvelle* recently worried about the country's justice system, criticizing the Federal Minister of Justice Koen Geens' presumable vision of it as a "simple officine chargée de proposer des services à ses clients"³⁵². According to the journal's editorial, the importance accorded to theories of a new public management as well as a "growing budgetary obsession" have resulted in a "course à l'efficience fondée sur la rentabilisation optimale des moyens investis dans les institutions publiques"³⁵³. In this course, the system's performance is measured in terms of its "capacité à transformer des *inputs* en *outputs*"³⁵⁴. Henceforth, evaluations pay more attention to the costs and rapidity of treatment than to moral, ethical, or principled considerations that traditionally have been the fundamentals of the system.³⁵⁵ The same tendency to shift the source of legitimacy from principles and values to organizational functioning and delivery capacities has occurred, according to the scholar Michael Barnett, in the humanitarian world. In an article, which was published in the academic journal *Perspectives on Politics* in 2005, Barnett sets out how the humanitarian system has evolved since the end of the Cold War, resulting in two tendencies which are the politicization and the institutionalization of humanitarian action. The first-mentioned tendency led to a closer cooperation between humanitarian organizations and states and to a new focus on the

<https://www.irinnews.org/investigations/2017/02/20/unconventional-cash-project-challenges-aid-status-quo-lebanon> [15.04.2018].

³⁴⁹ Cf. SRISKANDARAJAH Dhananjayan, *Five reasons donors give for not funding local NGOs directly*, London: The Guardian, 09.11.2015, <https://www.theguardian.com/global-development-professionals-network/2015/nov/09/five-reasons-donors-give-for-not-funding-local-ngos-directly> [03.05.2018].

³⁵⁰ PARKER Ben, *Unconventional cash project challenges aid status quo in Lebanon*, Geneva: IRIN, 20.02.2017, <https://www.irinnews.org/investigations/2017/02/20/unconventional-cash-project-challenges-aid-status-quo-lebanon> [15.04.2018].

³⁵¹ Especially with regards to the minimization of the state apparatus through the privatization of assets and services.

³⁵² "Impayable justice démocratique?", *Revue nouvelle*, 2018, n°2, pp. 2-5, here : p. 2.

³⁵³ "Impayable justice démocratique?", p. 3.

³⁵⁴ Ibid.

³⁵⁵ Cf. Ibid.

eradication of root causes that is at odds with the narrative and principles of traditional humanitarianism³⁵⁶. Problematic in this politicization is the increasing inclusion of humanitarian action in foreign policy interests of states and the *de facto* annihilation of humanitarian principles such as neutrality, independence and impartiality. The second-mentioned tendency led to the professionalization and rationalization of humanitarian agencies. The devastating failure of humanitarian action during the genocide in Rwanda in the 1990s shook the system up and made humanitarians embrace the rationalization of the sector as a necessity to avoid similar happenings.³⁵⁷ Rationalizing humanitarian action meant to “standardize expectations, ease coordination in the field, enhance efficiency, and improve the quality of care to more populations”³⁵⁸. It simply meant to run humanitarian organizations like a business.³⁵⁹ While the reasons that were at the core of this development make this change understandable, some of its consequences have deep-going, worrying consequences. Two consequences of the rationalizing process within the humanitarian sector since the 1990s are worth noting to introduce a conclusive critique to this thesis’ findings. First, Barnett observes that the standardization of guidelines and templates reduced humanitarians’ ability to recognize local needs and to respond to them.³⁶⁰ According to the scholars Hwang and Powell, the strengthening of formal organization in the humanitarian sector gave rise to an “administrative class” dedicated to managing the organization. As the number of “managerial professionals” grows, training and norms are increasingly shared in an effort to make “practices measurable or accountable”, which can eventually “reduce knowledge to a routinized, codifiable product”³⁶¹. Secondly, more and more humanitarian organizations are adopting a corporate culture, focusing on efficiency outcomes in the delivery process and increasingly considering beneficiaries as “clients” they need to satisfy.³⁶² ALNAP brings forward a similar critique, writing that improvements are too much focused on the delivery process, while leaving the substance and impacts of the humanitarian action in its totality aside.³⁶³ The problem of this managerial culture with regards to beneficiaries becomes apparent when examining the role of capacity building in the six programs reviewed. All reviewed case studies as well as all policy documents on MPCTs stress the respect of local needs through the provision of untied, multipurpose cash. But this provided choice of consumption is almost everything that is taken into consideration with regards to the needs of local populations. Therefore, the above-mentioned critique of a consumerization of beneficiaries coincides with the observations made in this thesis. Not a single evaluation or monitoring report mentioned a regular support of beneficiaries that exceeds the business-like complaints mechanism and support hotline or office. Though, as several program evaluations have pointed out, many beneficiaries had

³⁵⁶ The endeavor of eradicating the root causes of poverty, for example, is automatically a political one whereas saving lives can be described as a spontaneous humane act without any political agenda behind.

³⁵⁷ Cf. BARNETT Michael, “Humanitarianism Transformed”, *Perspectives on Politics*, 2005, vol. III, n°4, pp. 723-740, here: pp. 725-733.

³⁵⁸ *Ibid.*, p. 724.

³⁵⁹ Cf. COOK Steve, *Why running it like a business is no longer an option for charities*, Colchester (UK): UKFundraising, 26.04.2016, <http://fundraising.co.uk/2016/04/29/running-like-business-no-longer-option-charities/> [19.04.2018].

³⁶⁰ Cf. BARNETT Michael, “Humanitarianism Transformed”, p. 725.

³⁶¹ HWANG Hokyu, POWELL Walter W., “The Rationalization of Charity: The Influences of Professionalism in the Nonprofit Sector”, *Administrative Science Quarterly*, 2009, n°54, pp. 268-298, here: p. 269.

³⁶² Cf. BARNETT Michael, “Humanitarianism Transformed”, p. 725.

³⁶³ Cf. STODDARD Abby et al., *The State of the Humanitarian System*, p. 14.

difficulties in dealing with their payment tools and would have needed more training.³⁶⁴ Only one of the evaluation reports mentions an introductory training in financial literacy³⁶⁵. This training however was only a crash-course provided in the beginning and only some beneficiaries received more information and training in financial matters throughout the program through voice messages.³⁶⁶ SC's critique of using international tools and testing them on affected populations can be advanced at this point because an important element for beneficiaries, which is the acquisition of the necessary capacity to use and master the required technology, is not made a normal component of the program mentioned (Philippines) but is used to assess how successful the intervention is with or without such regular "capacity building" - if the constant call for saving money falls in the realms of this concept.³⁶⁷ Moreover, the additional information is provided virtually and does not involve any personal interaction between humanitarians and their beneficiaries or between beneficiaries themselves. The latter are addressed individually and are reduced to test objects of which performance helps the management personnel to evaluate and potentially optimize its product or service. Clearly, *empowerment* in the sense of Paulo Freire, for instance, is not on the radar of the programs' designers. Instead of providing beneficiaries and local actors with the means to appropriate the technology and the recovery program, humanitarian actors seem to consider the simple provision of a free choice in consumption as empowering. A social project or vision is not detectable as capacity building going beyond the simple usage of tools is not included in the programs. At least, evaluation reports are paying no attention to it. Neither do they consider moral or ethical factors that go beyond the politically connotated free choice, which is also something that the private sector cherishes. Instead, the reports convey the impression of a purely economic intervention with the particularity of being free of charge. The strong focus on economics, exemplified by the evaluation reports' calculations-based analyses, is the logical consequence of a formal rationalization (see p. 7) process. As

*"funders, and regulators call for wider use of strategic planning and wield influence to make independent financial audits and quantitative evaluation of program outcomes more commonplace, nonprofits have to develop consistent accounts."*³⁶⁸

This incentivizes them to set only goals which are measurable in the foreseen intervals of evaluation.³⁶⁹ The functioning according to a predetermined plan does not allow for local populations to be included in programs and projects as more than "clients", whose only power is to evaluate, complain and designate vulnerable people in their communities within the realms

³⁶⁴ Cf. BAILEY Sarah et al, *Zimbabwe 'Cash First' Humanitarian Response 2015-2017. Evaluation report*, p. 5
Cf. *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. p. 4.

³⁶⁵ In those programs which have followed previous program phases, it is likely, that such an introductory training has already been provided. Nevertheless, all evaluation reports speak of new beneficiaries, which makes an introductory training important to be repeated.

³⁶⁶ Cf. *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. 4.

³⁶⁷ Cf. *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, p. 9.

The evaluation "randomly assigned participants to one of four different treatment arms to evaluate the most effective way to implement and package cash transfer programming". The different treatment groups are illustrated on page 15 of the report.

³⁶⁸ HWANG Hokyu, POWELL Walter W., "The Rationalization of Charity: The Influences of Professionalism in the Nonprofit Sector", p. 272.

³⁶⁹ BARNETT Michael, "Humanitarianism Transformed", p. 731.

of predetermined criteria for vulnerability.³⁷⁰ Despite the dominant discourse about MPCTs being resilient-building and empowering, most of the six programs do not mention the resilience and *empowerment* of beneficiaries in their respective overall objective (see Annex 2, 1.3 “Case Studies”). At best, these two potential results would be positive side-effects, which would be appreciated but not actively aspired. However, such a resilience-building requires some specific investment and planning, which is not given if it is not integrated in the program design right from the beginning.

All six programs have focused almost entirely on the delivery process and the calculable outcomes in the aftermath of this delivery. What is missing is a higher ideal, the “humanitarian capital” that distinguishes humanitarianism from business. If beneficiaries are now simple “clients” or “consumers”, why should they not be served by private companies directly? Are humanitarian actors sufficiently preparing populations for future shocks by simply giving them access to banks or other financial providers? Do local populations gain much from becoming acquainted to superficially using tools developed by others? There are diverging opinions about the question of whether or not charities should run like businesses.³⁷¹ Whatever one’s attitude in this debate might be, one thing is sure: The policy goals of empowering beneficiaries and making them more resilient by means of MPCTs lag behind in being translated into action as it becomes clear that the simple disbursement of cash alone does not suffice to achieve these ambitious goals.

1.2 Innovation and Data Security

The growing expectations and bureaucratic requirements leave humanitarian organizations more and more concerned about risk management, notably with the reduction of unintended consequences. Given that it is almost impossible to completely avoid them in humanitarian contexts, Barnett asserts that this concern entails a strong “ethic of consequentialism”, meaning that the ethics of an action are now weighed against its outcome.³⁷² Thus, if the latter is expected to exceed the possible harm posed on beneficiaries, certain abuses³⁷³ of the “do no harm”-principle, which is enshrined in the first protection principle of the Sphere Handbook, are tolerated. Abusing this principle means to disrespect at least partially its three humanitarian protection imperatives: First, humanitarian assistance should not “further expose people to physical hazards, violence or other rights abuse”³⁷⁴. Second, neither the assistance nor the

³⁷⁰ Cf. BATTISTIN Francesca, *Impact Evaluation of the Multipurpose Cash Assistance Programme*, p. 1.

Cf. BAILEY Sarah et al, *Zimbabwe ‘Cash First’ Humanitarian Response 2015-2017. Evaluation report*, p. 31.

³⁷¹ Contra-arguments: Cf. HERBERT Wally, *Can a charity be run like a business?*, Twickenham (UK): Third Sector, 14.01.2016, <https://www.thirdsector.co.uk/charity-run-business/management/article/1379368> [19.04.2018] and COOK Steve, *Why running it like a business is no longer an option for charities*, Colchester (UK): UKFundraising, 26.04.2016, <http://fundraising.co.uk/2016/04/29/running-like-business-no-longer-option-charities/> [19.04.2018].

Pro-arguments: Cf. MORILLO Lucy, *Why Nonprofits should run like businesses*, Philadelphia: North American Publishing Co., 13.01.2015, <http://www.nonprofitpro.com/post/why-nonprofits-should-run-like-businesses/all/> [19.04.2018] and OHS Ethan, *Charities need to recognize their worth and start thinking like businesses*, London: The Guardian, 28.03.2014, <https://www.theguardian.com/voluntary-sector-network/2014/mar/28/philanthropy-isnt-dead-charities-act-like-business> [19.04.2018].

³⁷² Cf. BARNETT Michael, “Humanitarianism Transformed”, pp. 731-32.

³⁷³ Of course, not all types of harm are subjected to this calculation.

³⁷⁴ *Protection Principle 1: Avoid exposing people to further harm as a result of your actions*, Geneva: Sphere Association c/o NRC, <http://www.spherehandbook.org/en/protection-principle-1-avoid-exposing-people-to-further-harm-as-a-result-of-your-actions/> [23.04.2018].

protection efforts of implementing humanitarian organizations should “undermine the affected population’s capacity for self-protection”³⁷⁵. And lastly, sensitive information should be managed “in a way that does not jeopardise the security of the informants or those who may be identifiable from the information”³⁷⁶. In an article about humanitarian experimentation, Kristin Bergtora Sandvig et al. assert that the “do no harm”-principle and its elements collide with “innovation when innovation is carried out in an experimental manner”³⁷⁷ and suggest that an uncritical adoption of the term “innovation” in humanitarian contexts can lead to an underevaluation of risks for beneficiaries. The authors put forward inter alia the example of big data in the Ebola crisis of 2014.³⁷⁸ The challenges and dangers of the gathering and storing of large amounts of structured and unstructured data, called “big data”, is also of concern in the case of electronically transferred MPCTs. While the ability to collect a variety and high quantity of data in real-time can contribute to adjust flawed plans, anticipate humanitarian crises and to assess the impact of humanitarian action more quickly and precisely³⁷⁹, “[b]ad use of data can be worse than no data at all”³⁸⁰. To understand this pessimistic statement of CNN reporter Konstantin Kakaes, three aspects of massive data processing need to be considered, notably the legal framework, potential abuses and analytical errors. As far as the legal framework is concerned, humanitarians are confronted with a huge challenge as “many governments, corporations, and organisations have not developed data policies”³⁸¹ yet. The lack of relevant regulations in certain countries as well as amongst some actors is aggravated by the transnational nature of data, which makes it possible to circumvent strict data security rules.³⁸² These problems are particularly relevant as humanitarian organizations carrying out MPCTs need to cooperate with financial service providers (sometimes international ones) and other third parties (e.g. retailers), whose data security concerns and requirements are not necessarily the same than those of humanitarian actors.³⁸³ It is therefore important for humanitarian organizations to have clear guidelines in this regard and to add, if necessary, certain protection measures to the contracts concluded with its private sector partners. For example, during a

³⁷⁵ *Protection Principle 1: Avoid exposing people to further harm as a result of your actions*, Geneva: Sphere Association c/o NRC, <http://www.spherehandbook.org/en/protection-principle-1-avoid-exposing-people-to-further-harm-as-a-result-of-your-actions/> [23.04.2018].

³⁷⁶ Ibid.

³⁷⁷ BERGTORA SANDVIG Kristin, LINDSKOV JACOBSEN Katja, MACDONALD Sean Martin, “Do no harm: A taxonomy of the challenges of humanitarian experimentation”, *International Review of the Red Cross*, 2017, DOI: 10.1017/S181638311700042X, p. 5.

³⁷⁸ Cf. Ibid, pp. 4-5.

³⁷⁹ Cf. VERITY Andrej, WHIPKEY Katie, *Guidance for Incorporating Big Data into Humanitarian Operations*, Digital Humanitarian Network, 33p., here: pp. 7-10.

³⁸⁰ KAKAES Konstantin, *The big dangers of ‘big data’*, Atlanta: CNN, 04.02.2015, <https://edition.cnn.com/2015/02/02/opinion/kakaes-big-data/index.html> [29.04.2018].

³⁸¹ VERITY Andrej, WHIPKEY Katie, *Guidance for Incorporating Big Data into Humanitarian Operations*, p. 12.

³⁸² Cf. POULIOU Aikaterini, *Political Profiling : from the US to the EU, data protection regulation from a transatlantic perspective*, master thesis in Law and Technology, Tilburg: Tilburg University, January 2018, 64p., here: p. 3. Cf. KASPERSKY Eugene, *The Internet Badly Needs Rules and Regulations*, New York: Forbes, 29.05.2015, <https://www.forbes.com/sites/eugenekaspersky/2015/05/29/the-internet-badly-needs-rules-and-regulations-2/#54abdeaa3839> [29.04.2018].

MasterCard, for example, has its headquarters in the USA, which is why personal information of its customers from all around the world are also processed in the United States, where data protection is less strict than in the EU, for example (see: <https://www.mastercard.us/en-us/about-mastercard/what-we-do/privacy.html>).

Cf. KUNER Christopher, „Regulation of Transborder Data Flows under Data Protection and Privacy Law: Past, Present and Future”, *OECD Digital Economy Papers*, 2011, n°187, p. 7.

³⁸³ Cf. *Big Data for Development and Humanitarian Action: Towards Responsible Governance (report)*, New York/Jakarta/Kampala: UN Global Pulse, http://unglobalpulse.org/sites/default/files/Big_Data_for_Development_and_Humanitarian_Action_Report_Final_0.pdf [29.04.2018], here: p.5.

conference on cash transfers that I attended in Brussels in late 2017, a representative of the ICRC spoke about a case in which the implementing humanitarian organization forgot to specify in the contract with the bank that the latter is not allowed to share beneficiary data with third parties. As the bank shared these data with its partner banks, some beneficiaries who still owed unsettled payments to them were detected and had to repay their debts from the cash assistance received.³⁸⁴ In other words, the more parties involved, the more potential loopholes there are for beneficiary data to fall in the hands of non-authorized parties. This risk is exacerbated by a lack of understanding regarding the implications of the treatment of massive data streams within the humanitarian community³⁸⁵, which makes humanitarian actors “too trusting of companies that say they have data protection under control”³⁸⁶. As none of the evaluation or monitoring reports reviewed in this thesis have assessed the data security measures taken by the respective organizations, it is important to take a closer look at the risks and potentially negative consequences of the gathering and storage of beneficiary data in humanitarian CTPs in general. Of course, every humanitarian action involves data collection. The targeting process requires the gathering of a variety of information on beneficiaries, such as their household size, their income and their assets. Nonetheless, in this case, data is gathered at a certain moment in time and at the notice of the surveyed people. The use of electronic payment systems, on the other hand, generates real-time information on the location of the transfer, the amount paid, the date of the transaction and so on, containing therefore more extensive personal data.³⁸⁷ According to the Austrian researcher and data security activist Wolfie Christl, financial service providers and the third parties related to them “have always been on the forefront of personal data collection, use, and analytics”³⁸⁸. They use this data to manage risks (fraud detection e.g.) but also for marketing purposes and customer acquisition and retention. More importantly, they try to complete their data by supplementing them with external data provided by data brokers, credit reporting agencies as well as by marketing data companies. In exchange for receiving these complementary data, they also share their own collected information. Retailers, for instance, can access the financial services’ payments data in exchange for a fee. By accessing this information, shop owners hope to increase their turnover by adjusting their product range and prices on the basis of a customer data analysis. Furthermore, companies like Cardlytics promise financial institutions to improve their revenue by analyzing their purchase data and combining it with further online and offline data. Visa and MasterCard are both providing access to their customers’ purchase data to companies specialized in online tracking and profiling:

“Visa provides data on 14 billion purchase transactions to the data broker Oracle and combines it with demographic, financial, and other data in order to help companies better categorize and target consumers in the digital world. For MasterCard, selling products and services created from data analytics might

³⁸⁴ Cf. The author’s own notes of a conference organized by EURACTIV on “Cash and non-cash assistance in humanitarian aid and development”, Brussels: EURACTIV, 21.11.2017.

³⁸⁵ Cf. *Beneficiary Data Protection*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/digital-payments/operationalizing-beneficiary-data-protection-1> [29.04.2018].

³⁸⁶ PARKER Ben, *Security lapses at aid agency leave beneficiary data at risk*, Geneva: IRIN, 27.11.2017, <https://www.irinnews.org/investigations/2017/11/27/security-lapses-aid-agency-leave-beneficiary-data-risk> [29.04.2018].

³⁸⁷ Cf. *MasterCard – Global Privacy Notice*, New York: MasterCard, 17.02.2017, <https://www.mastercard.us/en-us/about-mastercard/what-we-do/privacy.html> [29.04.2018].

Cf. *Beneficiary Data Protection*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/digital-payments/operationalizing-beneficiary-data-protection-1> [29.04.2018].

³⁸⁸ CHRISTL Wolfie, *Corporate Surveillance in Everyday Life*, Vienna: Cracked Labs, June 2017, 93p., here: p. 21.

even become its “core business” given that “information products, including sales of data” already represent a considerable and growing share of its revenue”³⁸⁹.

The belief in the possibility of securing data through de-identification³⁹⁰ and anonymization³⁹¹ has been convulsed in recent years as several researchers revealed their ability to identify individuals from de-identified data sets. A 2015 published research of the Massachusetts Institute of Technology analyzed the information of credit-card transactions from more than one million people in member countries of the OECD. Although sensitive information such as names and addresses were not included in the analyzed credit-card transaction information, the researchers could identify “90% of individuals if they knew the date and location of just four of their credit-card transactions”³⁹². In other words, even if the humanitarian sector cooperated more with, or included more, specialists on data protection and disposed of harmonized and binding standards and rules in this domain, it would still be unable to fully guarantee the protection of beneficiary data. This is a tremendous problem given the vulnerability of those who receive humanitarian aid. As CaLP points it out,

*“[l]eaks of personal data have potential to result in individuals being targeted for violence or harassment, due to ethnicity, religion, medical history, or just because they have received aid or worked with international organisations.”*³⁹³

In an article published on The Engine Room’s website in November 2016, Zara Rahman explains how mass surveillance and data collection played a key role in the Rwandan genocide and in the “effective” persecution of Jews and Roma in the Netherlands during Nazi Occupation. The second example reveals how the purposes of data can be rapidly and easily changed. Established for administrative and statistical purposes, the Dutch population registration system was adapted to “create special registration systems covering Jewish and Roma populations within the Netherlands”³⁹⁴. Consequently, “Dutch Jews had the highest death rate among all other occupied western European countries”³⁹⁵. One year later, in 2017, Rahman published an article on the IRIN website about the risks of registering the Rohingya refugees with biometrics. Apart from the fact that the Rohingya are a marginalized group whose citizenship is not recognized by the governments of Myanmar and Bangladesh, Rahman criticizes that the power asymmetry between program implementers and designers on the one hand and the Rohingya on the other hand might have led to the latter thinking that this registration was mandatory for receiving access to aid and protection. Thus, resistance against this registration is unlikely.³⁹⁶ In the case of financial transaction data, contestations will be

³⁸⁹ CHRISTL Wolfie, *Corporate Surveillance in Everyday Life*, p. 22.

³⁹⁰ De-identification of data refers to the process of removing or obscuring any personally identifiable information from individual records in a way that minimizes the risk of unintended disclosure of the identity of individuals and information about them (see: <https://support.sas.com/resources/papers/proceedings15/1884-2015.pdf>, p. 12).

³⁹¹ Anonymization of data refers to the process of data de-identification that produces data where individual records cannot be linked back to an original as they do not include the required translation variables to do so (see: <https://support.sas.com/resources/papers/proceedings15/1884-2015.pdf>, p. 12).

³⁹² DENG Boer, *People identified through credit-card use alone*, 29.01.2015, London/New York/Tokyo: Nature Research, <https://www.nature.com/news/people-identified-through-credit-card-use-alone-1.16817> [29.04.2018].

³⁹³ *Beneficiary Data Protection*, Oxford: Cash Learning Partnership, <http://www.cashlearning.org/digital-payments/operationalizing-beneficiary-data-protection-1> [29.04.2018].

³⁹⁴ RAHMAN Zara, *Dangerous Data : The Role of Data Collection in Genocides*, The Engine Room, 21.11.2016, <https://www.theengineroom.org/dangerous-data-the-role-of-data-collection-in-genocides/> [29.04.2018].

³⁹⁵ Ibid.

³⁹⁶ Cf. RAHMAN Zara, *Irresponsible data? The risks of registering the Rohingya*, Geneva: IRIN, 23.10.2017, <https://www.irinnews.org/opinion/2017/10/23/irresponsible-data-risks-registering-rohingya> [29.04.2018].

even more unlikely as most people do not understand the transaction process and its risks. If programs do not even include capacity buildings for the usage of the technology, they will certainly not involve data security trainings or awareness-raising activities. This omission is noteworthy as abuses of such data can create humanitarian crises on their own. As IRIN columnist Paul Currion puts it, “data is the new oil”³⁹⁷ and those generated in humanitarian cash transfers are of interest for various stakeholders, amongst them states and companies. The former director of the NSA and the CIA, General Michael Hayden, once asserted in an interview that governments and their military and secret services kill people based on metadata.³⁹⁸ Due to the powerful role of governmental donors in today’s humanitarian sector as well as its necessary cooperation with host governments and local authorities, it is important to make sure that data collected in the framework of a humanitarian program are not used for mass surveillance³⁹⁹ or persecutions in the aftermath. The numerous cyber-attacks, manipulations and data breaches of the past years in Western countries should have made clear how difficult data protection and security are even in peaceful, “developed” countries with relevant regulations and laws. As humanitarian action often takes place in conflict settings and fragile, authoritarian states with no internet regulation, protecting beneficiaries’ data becomes even more important. If my data are abused in Belgium, I can complain and seek justice, unlike someone residing in a violent, authoritarian regime with no functioning independent jurisdiction. Let us think for a moment about the devastating consequences that a data breach can have for a political refugee, whose location and new identity reaches the regime he fled from. This horror scenario is not unlikely to happen in the future as the data scandal around Red Rose of the last year shows. Mautinoa Technologies, a competitor of Red Rose, managed to access sensitive information of 8000 families receiving assistance from the American NGO Catholic Relief Services (CRS) due to flaws in the security and encryption of the system as well as due to a password management error of CRS. In total, eleven major NGOs and UN agencies were using the beneficiary data tracking platform of Red Rose at that time⁴⁰⁰, meaning that if it had not been a competitor conducting “competitive research” for offering a better service but, instead, an actor wanting to access this information for malicious purposes, more lives than those of the 8000 families would have been exposed to abuse. Lastly, negative consequences might not only result from intended abuses but can also be the cause of “[i]naccurate and discriminatory conclusions about [for example] a person’s creditworthiness based on insufficiently tested or inappropriate algorithms”⁴⁰¹. In this case, a flawed analysis of the data gathered from a person lead to the latter’s exclusion from a specific service. Needless to say that such an exclusion happens without error in the case of poor people like humanitarian beneficiaries for whose creditworthiness bankers do not even have to carry out an analysis. As mentioned in the first section, a cooperation with the private sector is necessary for

³⁹⁷ CURRION Paul, *Slave to the Algorithm*, Geneva: IRIN, 11.07.2016, <https://www.irinnews.org/opinion/2016/07/11/slave-algorithm> [29.04.2018].

³⁹⁸ Cf. RAYMOND Nathaniel A., SCARNECCHIA Daniel P., CAMPO Stuart R., *Humanitarian data breaches: the real scandal is our collective inaction*, Geneva: IRIN, 08.12.2007, <https://www.irinnews.org/opinion/2017/12/08/humanitarian-data-breaches-real-scandal-our-collective-inaction> [29.04.2018].

³⁹⁹ Cf. ZENG Jinghan, “China’s date with big data: Will it strengthen or threaten authoritarian rule?”, *International Affairs*, 2016, vol. XCII, n°6, pp. 1143-1462.

⁴⁰⁰ Cf. RAYMOND Nathaniel A., SCARNECCHIA Daniel P., CAMPO Stuart R., *Humanitarian data breaches: the real scandal is our collective inaction*, Geneva: IRIN, 08.12.2007, <https://www.irinnews.org/opinion/2017/12/08/humanitarian-data-breaches-real-scandal-our-collective-inaction> [29.04.2018].

⁴⁰¹ KEMP Katherine, *Big Data, Financial Inclusion and Privacy for the Poor*, Philadelphia: Center for Financial Inclusion Blog, 24.08.2017, <https://cfi-blog.org/2017/08/24/big-data-financial-inclusion-and-privacy-for-the-poor/> [02.05.2018].

implementing certain parts of humanitarian programs. However, humanitarian actors should never forget, especially when cooperation with the banking and technological sector, that data have become some enterprises' main income source and that the worth of data can only be exploited by sharing and supplementing them. MasterCard, for instance, the world's second-largest debit and credit card company,

*"handles payments for 2 billion cardholders and tens of millions of merchants, uses that information to generate real-time data on consumer trends, available more quickly than [sic] regular government statistics"*⁴⁰².

Payments with the OneCard in Lebanon and the ESSN card in Turkey are processed via MasterCard. It is unclear whether or not the humanitarian lead organizations in both countries have data security agreements with MasterCard given that their direct financial services partners are national banks. As the data trade represents a significant part of the company's revenue, it is also questionable whether MasterCard would agree to data security requests made by humanitarian organizations and if the latter are in a position to effectively influence them.

Due to the horrendous negative consequences at stake, evaluation and monitoring reports that are interested in the outcomes of a program for beneficiaries, assessing the results against the background of their contribution to beneficiaries' well-being, should take the organizations' efforts to secure data into consideration.

1.3 Conclusion

The 2016 WHS called on humanitarian practitioners to place beneficiaries at the heart of their actions. The organization of a special session on this endeavor induced David Weiss, president and CEO of Global Communities, to ask: "If we aren't already putting beneficiaries first, what exactly are we doing? And if we put beneficiaries at the center of our approach, how will our humanitarian actions change?"⁴⁰³. According to the evaluation and monitoring reports of the six examined humanitarian MPCT programs, putting beneficiaries first means *inter alia* to ask them for their perception of the targeting, selection and delivery process and to evaluate their satisfaction with the performance of the aid received⁴⁰⁴ as well as to support local traders and respect the preferences of beneficiaries for cash⁴⁰⁵. In fact, putting beneficiaries first focuses mainly on accountability and is based on the thought that the accountability to donors needs to be coupled with one to beneficiaries. David Weiss concludes that "[t]his requires feedback mechanisms to give recipients a say in the aid they are receiving"⁴⁰⁶. Feedback mechanisms were one of the positive aspects of the programs emphasized by the evaluation and monitoring reports, as was the participation of beneficiaries in the assessment.⁴⁰⁷ Now, following the debate

⁴⁰² THOMASSON Emma, *MasterCard expects big growth from 'big data' insights*, London: Reuters, 11.06.2014, <https://www.reuters.com/article/us-mastercard-data-idUSKBN0EM1CI20140611> [03.05.2018].

⁴⁰³ WEISS David, *Humanitarian Responders: Are We Accountable to Beneficiaries?*, New York: HuffPost, 13.05.2016, last update: 06.12.2017, https://www.huffingtonpost.com/david-weiss/humanitarian-responders-a_b_9952650.html [29.04.2018].

⁴⁰⁴ Cf. e.g. BONILLA Juan et al., *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF's ARCCII Programme*, p. 24.

⁴⁰⁵ Cf. BAILEY Sarah et al, *Zimbabwe 'Cash First' Humanitarian Response 2015-2017. Evaluation report*, 10.

⁴⁰⁶ WEISS David, *Humanitarian Responders: Are We Accountable to Beneficiaries?*, New York: HuffPost, 13.05.2016, last update: 06.12.2017, https://www.huffingtonpost.com/david-weiss/humanitarian-responders-a_b_9952650.html [29.04.2018].

⁴⁰⁷ Cf. e.g. *Adaptable and effective: Cash in the face of multi-dimensional crisis. Lessons from Zimbabwe*, London: Care International, June 2017, 8p.

on accountability in humanitarian action, two different interpretations can be found. The first one is taken up by David Weiss and the programs presented in this thesis and corresponds to the dictionary meaning of accountability as the “[t]he obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner”⁴⁰⁸. Beneficiaries are given the possibility to correct flaws and to complain about abuses or mistakes. Nevertheless, they do not participate in the actual elaboration of the program. This literal interpretation of accountability is opposed by a more ambitious understanding of the concept, advanced, for example, by the Swiss government in a document published on the website of OCHA and introducing a session holding the title “Putting beneficiaries in the driver’s seat of humanitarian action”. Accountability to affected populations (AAP) here means “giving people affected by humanitarian crises a ‘voice’ in the design and implementation of program[s] intended to benefit them”⁴⁰⁹. This interpretation corresponds rather to the historical and literal meaning of the term *empowerment* as it provides affected populations with the power to actively build and transform a program which has direct effects on their lives. However, the term “voice” is open to interpretations itself and so the simple creation of feedback mechanisms could be considered a fulfillment of this aim. In fact, if the programs are considered to be successful and beneficiary-centered, it is because success is measured in terms of its benefits for the “compliance side”. Beneficiaries are thereby relegated to the role of passive evaluators whose only real power consists in complaining once a mistake has already taken place. There is no ambition to strengthen the local community as a whole, no ambition to transfer knowledge and expertise, and no ambition to inform beneficiaries of the enormous risks of cyber-criminality and data loss. Power here lies in consumption, the ability to comfortably buy goods and services wherever one chooses to go. The carelessness of European and American internet users is naturally transferred, although humanitarian program designers and implementers should know by now how sensitive our masses of data are. Given that potential abuses of these data are severely harmful for beneficiaries, their lack of control over, and knowledge about, data security exposes them to considerable risks. If one defines “being empowered” as being in control of one’s life and actively shaping his environment, then beneficiaries are rather disempowered by electronically transferred MPGs and MPCT program designs.

Conclusion

Provided that MPCTs have “transformative powers”, what do these transformations look like? And are they beneficial for those they seek to help? In this thesis, I tried to reveal how capitalism, its logics and values exert an influence on humanitarian action and specifically on the elaboration of MPCTs. Besides operating within a capitalist global economic system, humanitarian IGOs and INGOs have progressively adopted capitalism’s core values and assumptions over the past decades. Given their rising importance and influence on a global level, they contribute to the dominance of this way of reasoning, which includes inter alia a strong focus on the individual or specific households and their properties. The broader community in which these individuals are living is only marginally taken into consideration and, apart from intra-household relations between husband and wife, does not receive much

⁴⁰⁸ *Accountability*, Austin: WebFinance Inc., <http://www.businessdictionary.com/definition/accountability.html> [30.04.2018].

⁴⁰⁹ *Putting beneficiaries in the driver’s seat of humanitarian action*, Bern: Confédération suisse, 2p.

attention. CBA of all kinds has furthered this individual-centered approach. All MPCT programs examined in this thesis strongly individualized aid by linking identities to payment cards, for instance. They further considered beneficiaries primarily as economic actors, whose presumable main problem was their lack of access to markets due to missing purchasing power. Based on this assumption, beneficiary *empowerment* was defined in economic terms, involving the free choice of goods and services as well as an increase in purchasing power. Program designers also sought to improve people's saving behaviors and to encourage them to invest in livelihoods for the future. All these endeavors of humanitarian MPCT programs reflect the characteristics and principles of capitalism. Two problems arise from this observation.

First, the humanitarian sector adopts the terms, conditions and philosophy of a global economic system that has verifiably increased social inequalities all over the world, exacerbating the divide between the "global north" and the "global south". The increasing workload for humanitarian actors today is also a result of the retreat of the state following neoliberal reforms that have been imposed on many developing countries through the structural adjustment programs of the World Bank and the IMF.⁴¹⁰ This reduction of state power has increased the importance of humanitarian IGOs and INGOs in the past few decades, who now overtake tasks and responsibilities that fragile states cannot ensure themselves anymore. In other words, humanitarians now benefit from and resort to elements of a system that has significantly contributed to the vulnerability of their beneficiaries and whose maintenance will make further humanitarian interventions necessary in the future. This is especially true as the progressive deregulation of business brought multinational companies in a very powerful situation that often exceeds that of states.⁴¹¹ Bringing in powerful multinational global financial services such as MasterCard and Visa as humanitarian actors is thus risky and also a peculiar thing to do. Being criticized by activists of the "global north" for their business model which includes the sale and purchase of client data, these companies certainly do not only find advantages for their reputation in participating in humanitarian programs nor do they solely do it for the sake of solidarity. Data are extremely valuable today and their commerce represents a large part of the revenue of numerous technological and financial companies. Humanitarian actors thus might be their Trojan horse for penetrating the most remote and poor areas of this world, providing them with the credibility and image of their moral authority while providing beneficiaries with the necessary purchasing power to become interesting for financial services. No financial service wants and needs clients who do not have money to spend. Therefore, it is very likely that financial service providers would have never extended their networks and infrastructure without receiving incentives from, and being supported by, the humanitarian community. How these services develop after the end of humanitarian programs remains an open question. It is, for example, unclear how the contractual terms will change once the humanitarian program is over. Will beneficiaries automatically become normal clients who need to pay (more) fees? Provided that humanitarian organizations have introduced a specific paragraph about data security into the contract with the financial payment services, will this agreement persist after the program's end? And if not, are beneficiaries aware of the implications of this service? Will financial payment services remain interested in them once they do not have any regular revenue

⁴¹⁰ Cf. HARVEY David, *A Brief History of Neoliberalism*, p. 78.

⁴¹¹ Cf. KAPFER Steve, *Multinational Corporations and the Erosion of State Sovereignty*, Normal (Illinois, USA): Illinois State University, 07.04.2006, 24p.

anymore? Or will they keep their services at a minimum? Markets are regulated according to the rules of offer and demand, notably a demand that is accompanied by the necessary financial power. Recipients of humanitarian aid usually do not have the profile of a valuable client of the private sector, which is profit-oriented. It is therefore more than questionable whether extreme poverty can be solved by the commercial private sector. In times of extreme hardships, it is the community and not the market which helps those in distress. Strengthening the latter while putting aside the former – and even dividing it by choosing some eligible for aid and some not – is likely to have long-term negative consequences for people living in countries without a social security system. In the worst case, MPCTs might expose beneficiaries to further vulnerabilities in the long term, linked to their unconscious transparency resulting from financial tracking.

The second problem consists of the paradox of humanitarian action now trying to foster local economies by submitting its beneficiaries to the rules and habits of the market while operating itself outside of the market context. Although adjusting feedback mechanisms are widely used in MPCT programs, the latter still follow a predetermined plan and are only restrictedly flexible. This will not change as long as humanitarian IGOs and INGOs depend largely on institutional funds and need to explain and justify their program beforehand to deblock the money required for its implementation. As long as accountability is more linked to the achievement of predetermined results – hence being mostly donor-centered - than to the, intended and unintended, consequences for beneficiaries, even the provision of a flexible means of payment like money risks to not fully meet the needs of people. As Christopher Coyne notices in his book *Doing Bad by Doing Good: Why Humanitarian Action Fails*, humanitarian aid is still allocated following a, what Coyne calls, “man-of-the-system mentality” which considers humanitarian action a “technological exercise, constrained only by available resources and the perceived state of scientific knowledge”⁴¹². Although the calculation of the (S)MEB is often executed in cooperation with beneficiaries⁴¹³, the transfer sum is more or less imposed on the latter by budget constraints and the scientific calculations of humanitarian planners. One can question the real power of beneficiaries in this calculation as the asymmetrical relationship between donors or aid providers and aid recipients puts the latter in a weak negotiating position, let alone the role of politeness in speaking up about one’s needs and desires. Their limited influence on the program implementation is not compensated by a stronger inclusion of local NGOs and civil societies. As I have shown in section II and III, MPCT programs have been initiated by Western donors and IGOs/INGOs following a growing concern about increasing caseloads and restricted budgets. The significant role of donors such as DFID and ECHO in the rising importance attributed to this cash modality could serve as an explanation for a strongly donor-centered understanding of accountability. Hard facts such as consumption rates are prioritized over more abstract results in terms of social cohesion and *empowerment*.

MPCT programs certainly transform the way humanitarian action is delivered and conceived. They also transform the relationship between humanitarian practitioners and beneficiaries. The former now appear increasingly as service providers and their direct interaction with the latter

⁴¹² COYNE Christopher J., *Doing Bad by Doing Good. Why Humanitarian Action Fails*, p. 79.

⁴¹³ Cf. EL KHOURY Jamil, HAJAL Diana, *MEB and SMEB Revision: Community Consultation*, Beirut: Lebanon Cash Consortium, July 2016, 38p.

is limited to the beneficiary targeting and monitoring process as well as to the delivery of payment tools in the beginning of a program. Throughout the implementation phase, they restrain their role to that of a customer advisor, correcting flaws and mistakes and treating feedbacks. What seems to be a normal form of human interaction in our modern societies represents in reality a long process of social transformations. The dominance of the “global north” in the conception and implementation of humanitarian action throughout the world results in actors thinking that their way of living and doing is a logical one that is universally applicable. One needs to keep the history of our economic, political and social system in mind when reading Western donors and organizations mentioning “transformative powers”. Transforming means changing and this means nothing more than the replacement of an old model by a new one. Should change come from the outside? However one might answer this question, one thing is sure: As the transformative effects of MPCTs deeply affect beneficiaries’ lives, aid recipients should be provided with the necessary capacities, skills and knowledge for coping with the “shock” resulting from such a transformation. Judging on the basis of the evaluation and monitoring reports of the MPCT programs reviewed, I come to the conclusion that humanitarian organizations have failed in doing so. This conclusion is to be verified in the upcoming years. Furthermore, the results of MPCT programs are not as glamorous as the discourse might convey. NCMs could not always be drastically reduced and the reader of the reports in question might wonder whether the effectiveness of cash really exceeds that of in-kind aid in some cases. In general, I end this thesis with many open questions on my mind that provide the ground for potential future analyses. Due to its limited scope, some problems and challenges could only be indicated in this thesis and require a separate, in-depth analysis. The consequences of an omission of, or flaws in, data security will only become evident in some years. In order to anticipate them, it is necessary to investigate internal standards and practices of humanitarian organizations as well as their procedures when contracting private actors. The interests and performances of the latter in humanitarian MPCTs is another important and interesting potential topic for a future analysis. Finally, another problem worth investigating is the targeting process of MPCTs given that the financial support of some households within a community and the non-support of other households of the same community are reported to create tensions in some cases.⁴¹⁴ The control groups of the reports reviewed for this thesis, for example, were composed of poor people themselves who just happened to possess slightly more than the beneficiaries of the respective programs but nevertheless had to struggle to make ends meet.⁴¹⁵

To conclude, MPCT programs fail to do much more than keeping people alive so far. The sobering results of the reports consulted in this thesis reveal a hybrid type of aid stuck between the ambitions of a long-term development aid and the operational framework of a classical, short-term humanitarian aid. Overall, the programs’ results reveal a strong focus on the compliance side. Beneficiaries as social beings belonging to a larger community are rarely mentioned in evaluations. Based on a strong economic focus, the help provided to beneficiaries consisted in making them passive consumers whose resilience vanishes as soon as their income

⁴¹⁴ E.g. Cf. BONILLA Juan et al., *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF’s ARCCII Programme*, p. 73.

Cf. BAILEY Sarah et al., *Zimbabwe ‘Cash First’ Humanitarian Response 2015-2017. Evaluation report*, p. 32.

⁴¹⁵ Cf. BATTISTIN Francesca, *Impact Evaluation of the Multipurpose Cash Assistance Programme*, p. 9.

source dries out. In countries which do not possess a social safety net, concentrating on the individual is counter-productive. Though, MPCT programs have the great potential to liberate humanitarians from many burdens like regular material and food distributions and stocking. The time they win by this cash modality's efficiency could be invested in measures to strengthen communities and develop with them sustainable agricultural or business practices that could guarantee them a regular income source that also benefits the preservation of their community and habitat. In other words, MPCTs could be as tremendous as they are announced if they would pay more attention to data security and the choice and oversight of their private partners and if they would take the beneficiary and its cultural and social anchorage more into consideration, giving more power to local actors.

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Annexes

Annex 1: History of capitalism

The beginnings of capitalism:

Merchant capitalism (Kaufmannskapitalismus) had already been developed at the beginning of the Middle Ages in the framework of a growing overseas trade, notably in China and the Arab dominated area around the Indian Ocean. As Buddhism was open to commerce, Buddhist monasteries functioned as the “centers of capital formation [translation]”⁴¹⁶, also granting loans and doing profitable investments in agricultural and commercial enterprises. Merchants acted independently but in accordance with the political leaders. To protect themselves from burglars on their trade routes, merchants often cooperated and gathered together in communities based on a common religion or ethnic origin. A subsistence economy still prevailed, slavery and unfree labor in general was common, and economic actors of this time were more interested in the consolidation of their wealth than in the accumulation of profit. Capitalist practices made their way to Western Europe quite late, but they developed more rapidly than in China and Arabia. A veritable beginning of capitalism in Europe can be observed during the growing overseas trade between the twelfth and the fifteenth century. As the trade volume and zone extended, the traders’ need for capital increased. They needed to borrow money, a practice that could already be observed in Venice in the twelfth century, when the first banks were created in what is today Italy. This money was not for free and came with high interest rates. Furthermore, cashless loans were already handed out in this era, broadening thereby the spatial and chronological dimension of merchant capitalistic trade. Certain merchants generated a considerable wealth, whereas the poor could access to so-called consumer loans, handed out by pawnbrokers who took tremendously high interest rates from lenders. However, in contrast to the forms of capitalism that developed in the following centuries, capital accumulation in *merchant capitalism* was neither unlimited nor fast. As projects were limited in time, only a small part of the profits generated was reinvested in the enterprise. Instead, most of the merchant’s profits were spend on consumption and real estates, securing the future of the family. To conclude, *merchant capitalism* showed aspects of all three descriptions of a capitalist economy presented by Jürgen Kocka: Merchants acted as individuals⁴¹⁷ independently from the state – although in cooperation with the latter; they purchased goods and services to sell them afterwards; they did long-term investments, mostly accepting credits to finance them; and they had a strong interest in reducing and controlling risks. Nevertheless, the merchant capitalism of this era, ending at around 1500, had only a weak influence on the total economy and society. Unlike in China and Arabia, the *merchant capitalism* in Southern and Western Europe soon exceeded trade and headed towards *financial capitalism (Finanzkapitalismus)*.

⁴¹⁶ KOCKA Jürgen, *Geschichte des Kapitalismus*, Munich: C.H. Beck, 2014, 144p., here: p. 25.

⁴¹⁷ See the broader definition of the term “individual” used here at page 16.

Capitalism and colonization:

Between 1500 and 1800, forms of capitalism exceeding *merchant capitalism* were only developed in Europe. Therefore, other continents are only playing a passive role in the second era of capitalism, which covers the period of European colonization. This era resulted in a “fundamental extension”⁴¹⁸ of European capitalism within a newly established global trade system with Western Europe as its center.⁴¹⁹ Important catalysators therefore were a fierce competition between European powers and their quest to “open commodity and investment markets, control labor, [and] monopolize resources and trade”⁴²⁰. Capitalist practices were essential for the financing of expeditions and colonization. Conquistadores, entrepreneurs and merchants, for instance, had to borrow large sums of money to equip their ships, pay their men and buy weapons. Kocka emphasizes the correlation between these people’s debts and their violent actions, notably raids, in the colonized countries. He speaks of a “dynamic symbiosis between ambitious political actors, calculating financiers and audacious or unscrupulous adventurers [translation]”⁴²¹ which brought trade and war closely together. Banks gained in importance as states had to finance their numerous wars and territorial expansions. *Financial capitalism* therefore represented an essential tool for their aspirations, notably in the nation building. Thus, the relationship between states and financial institutions or other creditors became very close as the former were often heavily in debt towards the latter. The creditors, thus, could hope to obtain political advantages and favors.⁴²² Boswell underlines that outside of the European continent, imperialism was the “principal political form for incorporating external areas into the capitalist world economy”⁴²³, forcing local, non-European populations to produce for a global market. From the beginning, the world economy was a Eurocentric construct, advanced by European powers struggling with economic stagnation within their own borders and confronted with a changing balance of power.⁴²⁴ Plantation agriculture, the dominant form of production in the American colonies, is one example for a predatory use of capitalist practices to extract profits: Owners of plantations had no concern for sustainability due to the abundance of fertile land and the sheer endless availability of slaves, which were massively imported from Africa. In addition, immigrants from Europe or other parts of the world were often obliged to work several years in plantations to repay their debts from their journey to America. Not only did this form of agriculture negatively affect the local biodiversity by favoring monocultures – due to their ability of generating more yields, it also exploited the land for the single purpose of satisfying the demand of foreign populations. Jürgen Kocka notices that the example of plantation agriculture shows that capitalism could change the sphere of production without strictly implementing its most important principles in the organization of labor, notably that of a free exchange and the commodity character. Meanwhile, an *agrarian capitalism* (*Agrarkapitalismus*) emerged in Europe. Land was no longer exclusively inherited or stolen. Submitted to certain rules which differed from region to region, it became a good on

⁴¹⁸ KOCKA Jürgen, *Geschichte des Kapitalismus*, p. 46.

⁴¹⁹ KOCKA Jürgen, *Geschichte des Kapitalismus*, here: pp. 19-48.

⁴²⁰ BOSWELL Terry, “Colonial Empires and the Capitalist World-Economy: A Time Series Analysis of Colonization, 1640-1960”, *American Sociological Review*, 1989, vol. LIV, n°2, pp. 180-196, here: p. 180.

⁴²¹ KOCKA Jürgen, *Geschichte des Kapitalismus*, p. 48.

⁴²² Cf. KOCKA Jürgen, *Geschichte des Kapitalismus*, pp. 53-54.

⁴²³ BOSWELL Terry, “Colonial Empires and the Capitalist World-Economy: A Time Series Analysis of Colonization, 1640-1960”, p. 180.

⁴²⁴ Cf. *Ibid.*, pp. 180-196.

the market. However, subsistence agriculture still prevailed, and the rural population only marginally participated as consumers in markets. An individualization of social life has not taken place yet. The breakthrough of capitalism was especially opposed by feudalism, which was based on social and political dependencies instead of economic ones. But some capitalist principles could also prevail in this traditional economic arena, thanks to the overseas trade which provided peasants with new markets to sell their produce and especially thanks to state interventions. All in all, this era ended without any notable technological progress and labor did not follow the capitalist logics yet. A future-oriented goal setting in the sense of the pursuit of economic growth was a barely followed endeavor and it was usual for people to work a lot in times of a bad conjuncture and to work less in times of a good conjuncture, as subsistence was the major aim. At least, one can observe that in all parts of the world where capitalist practices developed, a strong interrelation between the formation of states and markets can be observed.⁴²⁵

Tendencies since 1800:

Between 1800 and today, capitalism developed to a worldwide phenomenon, exerting a transformative impact on peoples' everyday lives around the globe. *Agrarian capitalism* expanded to a global "agrobusiness" by the 20th century and the development of mass consumption helped *merchant capitalism* rise to higher dimensions. Already from the 18th century on, *financial capitalism* was indispensable as more and more capital was needed for the expanding capitalist activities. The evolution from an economic system limited to some areas of human life to an all-encompassing economic as well as political system was facilitated by industrialization and its accompanying phenomena such as urbanization and revolutionary developments in communication and mobility. Industrialization brought about deep-going technical and organizational changes, including the creation of the steam engine and the mechanization of spinning and weaving in the 18th century as well as the "digitalization of production and communication in the late 20th and the early 21st century [translation]"⁴²⁶. Amidst the consequences of this mechanization and digitalization was the massive exploitation of new energies, leading to drastic changes in the relation between human mankind and nature. Finally, industrialization marked the spreading of fabrics with clear hierarchies, a centralized management and the use of machines. From manufacturing, this transformative process reached also other domains such as agriculture, transportation and communication. Production in all domains increased significantly and human labor became more and more qualified, disciplined and intensified. Living standards increased due to rising wages and an improved provision of services, notably in healthcare. At the same time, people increasingly moved to towns and the number of people working in agriculture sank considerably. Starting in England in the second half of the 18th century, industrialization spread to large parts of the European continent and North America by the first half of the 19th century. Japan was the first Asian country to industrialize in the late 19th century and one century later, large parts of Asia followed its example. However, industrialization rarely happened throughout one country, often only affecting specific regions. Furthermore, it was not a homogenous process, meaning that the industrialization model of England was not transferred one by one to other countries. Despite

⁴²⁵ Cf. KOCKA Jürgen, *Geschichte des Kapitalismus*, pp. 54-55.

⁴²⁶ Ibid., p. 79.

diverging industrialization models, the wealth gap between industrialized and non-industrialized or hardly industrialized countries has dramatically increased in the past 200 years. Although industrialization has also taken place in non-capitalist countries like in the Soviet Union, the early forms of capitalism have remarkably facilitated the industrialization process and in the 19th century, for instance, industrialization only took place in capitalist structures. In addition, the examples of China and the Soviet Union demonstrate that a centralized alternative economic model without an eased political control and the adoption of capitalist principles does not function well. Kocka concludes that capitalism is an important prerequisite for a successful industrialization and that the latter, in turn, has a strong influence on the former. Industrialization changed capitalism in several regards. First, it made contractual wage labor to a mass phenomenon, for the first time applying the capitalist commodification on human labor. The latter moreover became subjected to calculation and the direct supervision of managers and employers. Second, the mechanization and mobility emerging with the industrialization led to an increased accumulation of capital. Large companies and company mergers arose and technological as well as organizational innovation gained in importance. What followed was a process which Schumpeter once called “creative destruction [translation]”⁴²⁷, denominating a constant replacement of old products with new ones. Consequently, not only products constantly risked becoming obsolete, but societies were subjected to permanent changes and the uncertainties resulting from them. Finally, as industrialization allowed capitalism to reach all spheres of society, crises inherent to capitalist practices, especially the speculations of an ever-increasing *financial capitalism*, from now on had an impact on everybody. Economic interdependencies intensified with an accelerating globalization process, starting in the 1860s and ending, temporarily, with World War I. Since 1960 and especially 1990, world trade expanded at a considerable pace, financial transactions gained in volume, multinational enterprises became increasingly dominant and crises developed more and more to become worldwide concerns. Just as much as capitalism influenced the course of globalization, the latter also considerably shaped the way capitalism presents itself nowadays.⁴²⁸

⁴²⁷ Quote of Schumpeter taken from KOCKA Jürgen, *Geschichte des Kapitalismus*, p. 83.

⁴²⁸ Cf. Ibid, pp. 78-84.

Annex 2: Tables of analysis

1.1 Tables of section II

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Abbreviations of documents:

HRP (DFID): Humanitarian Reform Policy, full title of document: “ Saving lives, building resilience, reforming the system: the UK Government’s Humanitarian Reform Policy”.

AR2016 (ECHO): Annual Report 2016, full title of document: “Annual report on the European Union's humanitarian aid policies and their implementation in 2016”.

GHO2018 (OCHA): Global Humanitarian Overview 2018.

SOHS (ALNAP): State of the Humanitarian System report.

AR2015 (Solidarités International): Annual Report 2015.

AR2015 (Diakonie Katastrophenhilfe): Annual Report 2015.

RC-WHS (Save the Children): Recommendations and Commitments for the World Humanitarian Summit, full title of the document: “Save the Children Policy, Recommendations and Commitments for the World Humanitarian Summit”.

Table 1: Problems defined by DFID, ECHO, OCHA, ALNAP and HLP-HCT

	DFID	ECHO	OCHA	ALNAP	HLP-HCT

Increasing caseload/growing needs	“Conflict, epidemic diseases and disaster have left record numbers of people hungry, sick and forced from their homes. Now, with the unprecedented threat of four famines in 2017, millions more are on the precipice” (HRP, p. 3). “Conflict is currently driving the largest population movements since World War Two” (HRP, p. 3). „Need is great and growing“(HRP, p. 3) “[...] unprecedented humanitarian needs, with the largest ever UN global appeal for \$23bn, and four potential famine situations in the media spotlight” (HRP, p. 3) “Today’s protracted conflicts are one of the main drivers of human	In 2016, humanitarian crises increased in number, complexity and severity (AR2016, p. 6) “Natural disasters – linked to mega-trends such as climate change, urbanisation and demographic pressures – have in recent years created humanitarian needs for an estimated 26 million people every year. Overall, more than 95 million people in 40 countries were in need of humanitarian assistance in 2016, and almost 65 million people (half of them children) were forcibly displaced – more than ever before.” (AR2016, p. 3) “[...] dramatic growth in the number of people	“The overall number of people in need is more than 5% higher than in the 2017 GHO” (GHO2018, p. 3) “In 2018, more people than ever before will need our assistance. 136 million people will be in need of humanitarian aid in 25 countries. To meet these needs, we will need US\$ 22.5 billion from our donors” (GHO2018, p. 4)	“The report identifies a number of key challenges, including meeting the humanitarian needs of a growing number of people [...]” (SOHS, p. 7) “For the past decade, needs have substantially increased, driven by a complex mix of conflict, climate change, water scarcity, demographic shifts and urbanization” (SOHS, p. 7) “The system is responding to fewer emergencies, but those emergencies affect larger numbers of people [...]” (SOHS, p. 10)	„More people are in need and for longer.” (p. 7) “In 2014 there were nearly 60 million people around the world who had been displaced by conflict. Natural disasters affect on average 218 million people a year. Conflict in the Central African Republic has touched more than half its population. Almost 12 million people have been forced to flee their homes in Syria.” (p. 7)
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	suffering, causing long-term displacement and a reversal of development gains " (HRP, p. 6)	displaced by conflict around the world, and the worrying trend towards ever more protracted situations of displacement [...]“ (AR2016, p. 7)			
Increasing severity and complexity of crises	“[...] for many countries and regions, challenges have become more complex. Conflict, extremism, climate change and natural disasters, urbanisation and poverty, compounded by state fragility and poor governance, have combined to generate unprecedented levels of humanitarian need for protracted periods, and greater instability” (HRP, p. 6) “80% of humanitarian resource is channelled to protracted crises” (HRP, p. 6) “More than 80% of refugee crises last for	“In 2016, humanitarian crises increased in number, complexity and severity ” (AR2016, p. 3)	“Many humanitarian crises have become so protracted that they seem permanent. Nineteen of the 21 humanitarian response plans presented in this overview are for humanitarian crises that have been running for five years or more. Three have had humanitarian plans and appeals each year for at least 18 years (Democratic Republic of the Congo, Sudan and Somalia).” (GHO2018, p. 9) “In addition to the tragic human cost of violence, conflicts often lead to people fleeing from their homes. Children cannot go to school. People cannot work to support their families. War often disrupts food supplies and	“Nearly 80% of our work is in countries and regions affected by conflict, where active zones of conflict, the proliferation of armed and terrorist groups, and easy availability of weapons produce complex operating environments“ (SOHS, p. 7)	“Eighty-nine percent of humanitarian aid goes to places that have required humanitarian funding for more than three years, and 66% of humanitarian aid is spent in places that have needed it for eight years or more.” (p. 7)

	ten years or more. The majority of the displaced live in urban areas rather than camps” (HRP, p. 6) “Protracted conflicts increasingly take place in urban settings, posing different challenges for humanitarian assistance” (HRP, p. 6) “The impacts from climate change, such as water scarcity, on humanitarian needs are often more severe for disadvantaged people and communities. By 2030, the world could face demands for 50% more food and energy and 30% more water, while their availability becomes threatened by climate change.” (HRP, p. 6)		people’s access to food.” (GHO2018, p. 4) “Climate change will increase the number of extreme weather events and make drought in some regions chronic. The risk of droughts, floods, earthquakes, hurricanes and typhoons and other seismic and meteorological events will remain high in 2018.” (GHO2018, p. 4)		
Funding problem	“Need is great and growing, but resources have not grown at the same pace and there is now a funding gap of \$14 billion” (HRP, p. 3)		“Overall, 136 million people across the world will need humanitarian assistance and protection. UN-coordinated response plans costed at \$22.5 billion can help 91 million.” (GHO2018, p. 3)	“When funding requirements reached \$18 billion in 2014, donor contributions increased. But despite this generosity, the gap between humanitarian needs	“The gap between needs and funding is widening.” (p. 7)

	“\$23 billion total humanitarian requirements in 2017: only 40% of these requirements funded” (HRP, p. 6) “Humanitarian funding is unpredictable and only provided – often too late – after disaster has struck, and at the discretion of donor governments” (HRP, p.6)		“Funding for humanitarian response continued to increase in 2017. However, the growth in requirements (which are measured by the aggregation of the humanitarian response plans) has outpaced the increase in funding. This has resulted in a wider gap between humanitarian needs and available resources.” (GHO2018, p. 9)	and the resources available to meet them continues to grow” (SOHS, p. 7)	
Humanitarian system under strain	“The global humanitarian system helps enormous numbers of people and saves millions of lives. But it is clear that it is being stretched to breaking point” (HRPp. 3) “The humanitarian aid system is overstretched. Year after year, growing needs continue to outstrip available funding.” (HRP, p. 7)			“Given the multitude of crises and soaring needs, the humanitarian system is overstretched“ (SOHS, p. 7) “The international humanitarian system is larger than ever in terms of financial and human resources. In 2014 it comprised some 4,480 operational aid organisations with combined humanitarian expenditures of over \$25 billion (see Table 2) and roughly 450,000 professional humanitarian aid workers in their ranks. And yet it is failing to meet the global	“Today’s emergencies, both man-made and natural, are putting the humanitarian system under severe strain“ (p. 7) “The humanitarian system is under severe stress” (p. 7) “this system is under great and growing strain” (p. 12) “2014 was an exceedingly difficult year, with simultaneous large-scale disasters in South Sudan, the Central African Republic, Syria and the

				demand for humanitarian assistance.” (p. 10) “The global humanitarian system as we know it was not deliberately engineered; it evolved largely organically from disparate altruistic endeavours at the local and international levels. We may have reached the limits of what juryrigging new mechanisms for planning and coordination onto that structure can accomplish.“ (SOHS,p. 10) “The political and security impediments to providing relief to civilians trapped in war-ravaged Syria, combined with glaring capacity gaps in the Central African Republic and South Sudan, have overshadowed genuine humanitarian successes such as the response to Typhoon Haiyan (Yolanda) in the Philippines” (SOHS, p. 10)	Philippines, and in West Africa with the Ebola outbreak. The humanitarian system was stretched to near-breaking Point [...] “ (p. 12)
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				“The system is responding to fewer emergencies, but those emergencies affect larger numbers of people – for many of whom a principal need is protection, the area humanitarian action is least able to affect” (SOHS, p. 10) “Only in the function of rapid response to major sudden-onset disasters can the system claim clear success and progress during the review period.” (SOHS, p. 10) “Further exemplifying the overstretch in these contexts, humanitarian policy dialogue has increasingly focused on building resilience to disasters and strengthening national and local response capacities. As the system struggles to meet these growing expectations, debates continue about whether these tasks fall within the humanitarian or	
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				development remit.” (SOHS, p. 10) “As the demand for humanitarian assistance swells and the political climate in which it navigates becomes less favorable, recognition is growing of the system’s inherent structural insufficiency. Even as its machinery becomes more elaborate and finetuned, it is still akin to a pocket calculator attempting the job of a computer.” (SOHS, p. 14)	
Lack of political will/political solutions	“Emergency funding has become a substitute for investment in risk management and resilient national systems.” (HRP, p. 7)			“[...] humanitarian workers are required to stay for far too long partly because political negotiations take time, but also because processes for maintaining international peace and security are in deadlock.” (SOHS, p. 7) “The experience of the past few years reminds us that	

				there are limits to humanitarian action and that it cannot correct for political or development failures “(SOHS, p. 10)	
Security constraints/Lack of access		“In certain crisis contexts, humanitarian air services are the only way to access remote areas and reach people in need owing to security constrains or lack of adequate infrastructure“(AR2016, p. 7).		“The political and security impediments to providing relief to civilians trapped in war-ravaged Syria [...] (SOHS, p. 10)	
Violations of the IHL	We need to break the cycle of [...] and human rights violations” (HRP, p. 3). “Such [protracted] crises are often characterized by systematic violations of international humanitarian law” (HRP, p. 6)	“[...] the EU continued to provide significant support to humanitarian operations in Yemen (EUR 70 million), where the situation kept deteriorating both as regards basic humanitarian needs and respect for International Humanitarian Law” (AR2016, p. 4)		“International humanitarian and human rights law is flagrantly violated” (SOHS, p. 7)	
Growing need for protection			“Overall, 136 million people across the world will need	“The system is responding to fewer emergencies, but those emergencies affect larger	

			humanitarian assistance and protection.” (GHO2018, p. 3)	numbers of people – for many of whom a principal need is protection [...]“ (SOHS, p. 10)	
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Table 2: Problems defined by SI, DK, SC and the DC.

	Solidarités International	Diakonie Katastrophenhilfe	Save the Children	Danish Refugee Council
Increasing caseload/growing needs	“International humanitarian efforts were pushed to their limits by an intensification of crises in 2015, including the Ebola epidemic, the earthquake in Nepal, the curb of the Syrian crisis, and other areas of conflict in Asia and Africa” (AR2015, p. 4) “[...] for the first time since World War II, the number of refugees reached 65.3 million. That means that nearly one in every 100 people has left their native land” (p. 6)	“2015 shocked us with its immense extent of wars – in Syria, in Iraq, in the Ukraine, but also in Central African countries – as well as natural disasters with the respective refugee flows, which stretched the limits of humanitarian assistance.” (AR2015, p. 3). “The number of internally displaced persons and refugees has continued to rise around the world and has now reached a peak of 65 million people” (AR2015, p. 6).	“[...] growing number [...] of crises in the world [...]” (RC-WHS, p. 1). “[...] the number of people forcibly displaced, at 60 million, is at a record high” (RC-WHS, p. 1). “Altogether an estimated 125 million people require humanitarian assistance this year – 12 times higher than 15 years ago” (RC-WHS, p. 1). “[...] international humanitarian assistance is at an all-time high [...]” (RC-WHS, p. 1).	“More and more displacement crises are unfolding around the world [...]” (AR2016, p. 5). „On a negative note, the high level of income and expenditure in 2016 reflects a world in which the need for our assistance is growing day by day” (AR2016, p. 5).
Increasing severity and complexity of crises	“International humanitarian efforts were pushed to their limits by an intensification of crises in 2015, including the Ebola epidemic, the earthquake	“[...] extreme safety-related and logistical challenges make the work more difficult, which leads to an increase in costs. “ (AR2015, p. 7).	“Crises are becoming more protracted, conflicts are becoming more brutal [...]” (RC-WHS, p. 1)	“[...] increasing complexity and severity of these emergencies [...]” (AR2016, p. 5).

	in Nepal, the curb of the Syrian crisis, and other areas of conflict in Asia and Africa” (AR2015, p. 4)		“[...] growing [...] scale of crises in the world” (RC-WHS, p. 1). “Natural disasters affect an average of 175 million people each year, and the frequency and intensity of climate-related disasters is growing.” (RC-WHS, p. 1). “With the average duration of displacement now estimated at 17 years, many children are living their entire childhoods as refugees, asylum seekers or internally displaced persons“(RC-WHS, p. 1). “Temporary disruptions to education can have long-term impacts on school attendance. Many children who are displaced, or whose schools are damaged or destroyed during a crisis, or who are pulled out of school to support their families, never return“(RC-WHS, p. 6).	
Funding problem		“The number of internally displaced persons and refugees has continued to rise around the world and has now reached a peak of 65 million people.	“[...] gap between humanitarian needs and available resources, and the funding gap is expected to grow ” (RC-WHS, p. 1).	“Appropriated administration funds are limited and do not cover unforeseen expenses arising in connection with

		But neither the willingness to provide funds, nor the hospitality of the rich nations have risen accordingly” (AR2015, p. 6).	“Yet while interventions to prevent and respond to violence against children are identified by children, parents and caregivers as top priorities in humanitarian rises, they attract low levels of funding from national governments and international donors. The scarcity of funding available for child protection is partly attributable to the fact that such interventions are often accorded low priority both by humanitarian responders and local actors“(RC-WHS, p. 6). “[...]research in 2009 found that child protection received less than one percent of global humanitarian assistance – making it one of the least funded sectors in humanitarian response” (RC-WHS, p. 6).	international activities” (AR2016, p. 9).
Humanitarian system under strain	““International humanitarian efforts were pushed to their limits by an intensification of crises in 2015 [...] (p. 4)	“2015 shocked us with its immense extent of wars – in Syria, in Iraq, in the Ukraine, but also in Central African countries – as well as natural disasters with the respective refugee flows, which stretched	“The growing number and scale of crises in the world today have put the international humanitarian system under unprecedented strain“(RC-WHS, p. 1)	

		the limits of humanitarian assistance.” (AR2015, p. 3)		
Lack of political will/political solutions	“[...] the lack of political solutions mean that the Syrian conflict has become embedded in the country’s landscape, with little hope of resolution. The migrant crisis is a manifestation of the lack of long-term solutions. We are well aware of the complexity of political solutions and feel the effects of their absence every day. As a humanitarian actor, we deal with the consequences of crises and we hope that the causes will be addressed by local, national, regional and international political actors whose solutions are eagerly awaited by these desperate populations” (AR2015, p. 3) “What is referred to in Europe as the “migrant crisis” raises the issues of accountability for political failure, [...] (AR2015, p. 6)	“Instead of fighting the causes and systematically pursuing an active policy of peace, instead of providing Syria’s neighboring states with sufficient funds to be able to permanently assist for the refugees, instead of creating humanitarian corridors to Europe and offering the refugees protection and shelter, the EU relied on resistance and control, some members even on denigrating and deterring the refugees.” Only very few countries abided by the obligations they entered with the signing of the Geneva Refugee Convention. Hardly any government abided by internationally accepted standards on the support of refugees. Humanitarian aid was disorganized and was left to aid organizations and volunteers – a scandal“(AR2015, p. 3) “Money cannot replace the political will in humanitarian aid.” (AR2015, p. 3)	“The ‘burden’ of hosting displaced populations is unevenly spread and most countries are doing far too little to share the responsibility “(RC-WHS, p. 3) “States are responsible for protecting and upholding children’s rights, including the right to be protected from violence, abuse, exploitation and neglect; but in many situations States are either unable or unwilling to do so. “ (RC-WHS, p. 5).	

		“The majority of the countries that received most of the internally displaced persons and refugees, are mostly poor themselves. They were mostly left alone to cope with the task in 2015, among them also Syria’s neighboring countries. “ (AR2015, p. 6). “[...] many European states refused solidarity with the refugees and among each other. Chaotic, uncoordinated border closings did not only cost many people their lives and hundreds of thousands of refugees their last resources. What is more, they have forced refugee assistance in Europe to permanently improvise and have thwarted systematic support” (AR2015, p. 6) “The political interest to work on it, to promote the humanitarian principles and international humanitarian law – amongst others through strictly adhering to these oneself – also remained low with the European states” (AR2015, p. 7)		
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Security constraints/lack of access	“Humanitarian aid is systematically confronted with security problems and difficulties in accessing areas of need. These days we must contend with groups barring access to entire regions, as in Syria, where our model of humanity is under attack. Western humanitarians are spurned—and sometimes martyred.” (AR2015, p. 6)	“In Syria, in Iraq and also in Somalia, Sudan, Northern Nigeria, in Chad and also in the Ukraine, it was almost impossible for aid organizations to reach the places where there was violence and the places occupied by either of the sides, as the political will of the conflicting parties was missing to comply with international humanitarian law. “(AR2015, p. 7).		“[...] challenges of carrying out activities in areas that lack well-structured organizations and institutions. [...] “(AR2016, p. 9).
Violations of the IHL	“We were united, though probably not active enough, in denouncing the International Human Rights violations to which the past two years bore sad witness.” (AR2015, p. 6)		“The laws that have been developed over years to protect civilians in times of war are flouted with devastating consequences, and efforts by the international community to demand compliance and accountability have been grossly inadequate” (RC-WHS, p. 5).	
Growing need for protection	“Even today, conflict and disaster have forced 65 million people to flee their homes; these people are among the poorest and most vulnerable in the world.” (AR2015, p. 7)		“Nearly 250 million children live in regions affected by conflict,⁴ over 100 million children and young people are affected by disasters each year, and children account for more than half the world’s refugee population“(RC-WHS, p. 1).	

			“Humanitarian emergencies exacerbate pre-existing vulnerabilities and risks. In crisis situations, children are vulnerable to being separated from their families, neglected, physically or sexually abused, killed or injured, trafficked or economically exploited” (RC-WHS, p. 5). “In all types of emergencies, children consistently prioritize their safety, security and protection. In Save the Children’s consultations with children around the world, children have expressed a fear of violence, abuse, and being displaced or becoming refugees“(RC-WHS, p. 5). “Globally, vulnerable groups – those who are marginalized due to gender, age, disability, religion, ethnicity, caste, or other – are disproportionately affected by humanitarian crises. They have fewer and more fragile livelihood options, less access to social and economic resources, less ability to influence the relief effort, are more exposed to protection	
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			risks and face more barriers accessing assistance – often without the political voice that would enable them to advocate for those barriers to be addressed. “(RC-WHS, p. 13).	
Disrespect of humanitarian principles	“2015 was also a year of fighting to defend humanitarian aid , following attacks on its principles . Medical facilities in Syria, Yemen and even Afghanistan have been hit by repeated bombings in violation of the off-limits policy during conflicts” (AR2015, p. 3)	“[...] humanitarian aid was de-professionalised and the humanitarian standards and principles were continuously ignored. “(AR2015, p. 6)		

Table 3: Suggested solutions

	DFID	ECHO	ALNAP	HLP-HCT	OCHA
Ideas	<u>Innovation:</u> “Supporting the status quo will not be enough - the system is under enormous strain. With so much at stake we cannot afford to be complacent; real change, innovation and reform are required to meet the challenges ahead.” (HRP, p. 3)	<u>Reduction of the need for humanitarian assistance:</u> “The importance of the nexus between humanitarian aid and development was at the forefront of discussion in both a number of key multilateral events and at the European level“(AR2016, p. 7). <u>Reduction of the costs of humanitarian</u>	<u>Innovation:</u> “Innovations in communications, information management and mapping , along with the growth in humanitarian-to-humanitarian organisations that service the system have helped to grease the wheels.	<u>Reduction of the need for humanitarian assistance:</u> “This accelerating pace of financial inclusion increases our capacity to deploy humanitarian cash transfers. At the same time, greater use of cash transfers creates new opportunities to	<u>Reduction of the need for humanitarian assistance:</u> “To address this increase in protracted crises, we need greater political and financial investment in mediation, conflict prevention and peacebuilding. This is a

“We are pushing for more radical reform of the international humanitarian system; greater efficiency and more use of innovation - including working with the private sector on insurance and risk management.” (HRP, p. 4). “Cash challenges the current humanitarian system architecture and contributes to the UK’s vision for reform. A single cash transfer can cover several basic needs, promoting innovation, and coherence while reducing duplication and related costs.” (HRP, p. 20). <u>Reduction of the need for humanitarian assistance:</u> “Cash can contribute to economic recovery and prosperity by supporting local trade and jobs” (HRP, p. 20). <u>Beneficiary-centered approach:</u> “[...] we want to see a step change to ensure that affected populations are better informed, allowed to participate in the decisions that affect them and, ultimately, empowered to make choices for themselves.” (HRP, p. 19).	<u>assistance/Improvement of humanitarian performance:</u> “Responding rapidly and effectively to natural disasters was a key priority for the Commission also in 2016“(AR2016, p. 3). “[...] active engagement and signing up to the "Grand Bargain" with the aim of improving aid effectiveness and efficiency; [...]“(AR2016, p. 4). “[...] the Commission is co-convening the work stream on impartial and comprehensive assessments of humanitarian needs. This work stream is deemed crucial as it lays the foundation for strategic planning and funding as well as for a targeted and efficient humanitarian response.“(AR2016, pp. 4-5). “Other advantages for using cash as an aid modality include greater efficiency, value for money and ultimately improved effectiveness for donors and taxpayers, with more assistance reaching the most vulnerable population”(AR2016, pp. 7-8).	Pooled funding and the introduction of multi-year funding in a few chronically needy contexts continue to reduce inefficiencies. “(SOHS, p. 14). “The calls for radical reform, now heard from the highest levels of the humanitarian system would seem justified. [...] The goals of increasing the system’s connectedness with affected state actors and building capacity to devolve more of the humanitarian response to where it should be – at the local, national and regional levels – are important. [...] Both changes are needed, along with the expanded resource base that would make them possible “ (SOHS, pp. 14-15). “During the past few years the most notable innovations in humanitarian assistance	expand financial networks in some of the world’s poorest regions by attracting investment in systems (as part of preparedness measures) and by linking people with payment systems.“(p. 12). <u>Reduction of the costs of humanitarian assistance/Improvement of humanitarian performance:</u> “[...] giving aid directly in the form of cash is often a highly effective way to reduce suffering and to make limited humanitarian aid budgets go further”(p. 7) “Moving to a coordinated system of cash transfers is also an opportunity for broader reform of the humanitarian system, so that aid providers of the future can work in a more complementary	priority for the Secretary-General.” We also need to a longer-term approach to addressing humanitarian needs that integrates development action. This should include steps to reduce people’s vulnerability to crisis, such as investing in social safety nets and livelihoods.”(GHO, p. 12) “In the long run, economic growth and development, and conflict prevention and resolution are what will reduce the number and impact of humanitarian crises. “ (GHO, p. 20) <u>Reduction of the costs of humanitarian assistance/Improvement of humanitarian performance:</u> “In 2018, a priority improvement will be the cross-sectoral and comprehensive assessment of needs to strengthen overall intersectoral analysis—as opposed to
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	“Cash preserves the dignity of affected populations as it allows beneficiaries to determine what they need most” (HRP, p. 20). <u>Reduction of the costs for assistance/Improvement of humanitarian performance:</u> “The response should be delivered by those offering best value for money. Multi-purpose cash transfers, particularly digital transfers, are faster, safer and more cost-effective than relief in-kind, and they support local economies. “ (HRP, p. 18). “Cash can be cheaper to deliver and more effective than the provision of goods “in-kind”, particularly where those goods are costly to store and transport” (HRP, p. 20). “Cash can be delivered safely and cost-effectively. The UK National Audit Office found in 2011 that e-transfers offered a reduced risk of fraud, greater transparency and flexibility for beneficiaries.” (HRP, p. 20).	<u>Beneficiary-centered approach:</u> “Cash as an aid modality has increasingly been used in the form of unrestricted multi-purpose transfers, which offer dignity, choice and flexibility to the targeted population” (AR2016, p. 7).	have involved information and communications technology (IFRC, 2013c). These pertain more to planning and targeting assistance than to facilitating its actual delivery, and tend to be more applicable to natural disaster response and places with higher levels of Internet access and use. “ (SOHS, p. 100). “[...] the idea of innovation itself has gained particular salience among humanitarians in recent years, as agencies have established new units and initiatives with the aim of developing new ideas for programming and operational improvements. “(SOHS, p. 100). “Cash assistance (conditional and	way to maximise their impact “(p. 7) “The Panel finds that cash transfers can help close this [funding] gap and provide opportunities to do humanitarian assistance better “(p. 7) “Changes in technology, growing access to financial services, greater urbanisation, and the emergence of government social safety nets are all creating unprecedented opportunities for humanitarian support to reach people in new ways.” (p. 7) “Delivering cash is often less costly than delivering in-kind assistance. There are opportunities to lower costs by reducing duplication and better taking advantage of the expansion of digital	just a sector-by-sector compilation of needs. This approach will allow for a more holistic understanding of needs and a better starting point for developing multi-sectoral responses.” (GHO, p. 25) “Improvements in the way in which we analyse how severe the needs are of population groups and geographical areas are also underway. This is important because it helps humanitarians prioritize and target the response better. It also identifies who needs emergency life-saving assistance from humanitarians; and who would benefit from more long-term development support. This is a key step towards strengthening the humanitarian and development nexus” (GHO, p. 25). “Prioritization means making tough choices about what locations, population groups and/or
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			unconditional) and mobile money were perceived to be largely successful in the Haiyan response, where one innovation cited was the decision to give smaller amounts to beneficiaries over longer periods“(SOHS, p. 102). <u>Reduction of the the costs of humanitarian assistance/Improvement of humanitarian performance:</u> “[...]the wide spectrum of humanitarian needs, contexts and functions demands both a stronger centralised directive capacity for major acute emergencies (where host government capacities are overwhelmed, weak, absent or obstructive) and operating modalities that are more responsive to local realities, continual capacity building and	payment systems. “ (p. 12). “Cash transfers, and digital cash in particular, are a vehicle for a radical improvement in transparency around how much aid reaches recipients. There is shockingly little information on how much humanitarian funding ends up with beneficiaries. Knowing where the money ends up would empower donors fairly and transparently to evaluate and compare the efficiency of different types of resource transfers and aid actors and use this information to decide how best to help those in need.” (p. 12). “Businesses and technology have already played an important role in enabling cash to be delivered efficiently on a large scale.	issues need to be addressed first or where coverage needs to be amplified. This requires a clear understanding of where survival needs are (or will be), the most pressing, and which responses need to be carried out first to prepare the ground for others to succeed.” (GHO, p. 25)
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			appropriate devolution of responsibility to local and regional levels“ (SOHS, p. 112).	Governments and international humanitarian actors can leverage even greater efficiency, effectiveness and value for money from these partnerships.” (p. 12). “Using digital payments makes disbursing and receiving transfers cheaper, improves their transparency and traceability, increases security for recipients and can give people an entry point into other formal financial systems“(p. 12). <u>Beneficiary-centered approach:</u> “[...] cash transfers give people choice and make humanitarian aid more accountable to affected people, can help to make scarce resources go further, and can leverage the opportunities created	
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				by the global expansion of financial services, including digital payments, the growing number of social safety nets.“ (p. 11) “Cash can be a vehicle for accountability by trusting and enabling people to prioritise their own needs. By engaging national governments and civil society in cash transfer assistance, humanitarians can support a more inclusive approach to coordination, leadership and implementation. “ (p. 12) “The flexibility of cash transfers means that people – rather than aid agencies – determine what they need most. Cash therefore breaks the cycle of aid being limited to the goods and services that humanitarian agencies	
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				can procure and deliver. “ (p. 12).	
Concepts	Resilience Humanitarian-development nexus (Cost-)Effectiveness and efficiency innovation - including working with the private sector on insurance and risk management. preparedness risk management needs-based/beneficiary-centred approach gender equality dignity choice	Resilience Humanitarian-development nexus Effectiveness and efficiency Value for money Dignity Choice Flexibility Self-reliance Social protection	Innovation Capacity building Accountability towards beneficiaries Localization centralised directive capacity relevance	Risk management Humanitarian-development nexus Market-based approach Accountability Innovation Financial inclusion	Prioritization Mediation Conflict prevention Peacebuilding Humanitarian-development nexus Social safety nets Economic growth Multisectoral response

1.2 Tables of section III

Table 4: Case Studies

	Program name	Period/Duration	Transfer value	Number of beneficiaries	Objectives	Delivery mechanism(s)

DRC (Nord Kivu, Orientale provinces) <u>Funding:</u> primarily DFID <u>Implementing organizations:</u> UNICEF, Concern Worldwide, Solidarités internationales, Mercy Corps	Alternative Responses for Communities in Crises (ARCC II)	2,5 years: March 2013-September 2015 <u>Implementation phase:</u> Phase 1: February-September 2014 Phase II: October 2014-April 2015	Phase I: 110-135\$ Phase II. 110-120\$	Phase I: 11 572 HH Phase II: 11 908 HH	Meet the diverse needs of conflict-affected households and reduce vulnerabilities and improve family well-being as a result of increased access to basic goods, services and livelihood opportunities through continued use of multi-sector CBA.	5 different mechanisms according to context and market dynamism: mobile network operators (MNOs) via cellular phones; local savings and loan cooperatives or microfinance institutions (MFIs); through private-sector money transfer organizations; directly through the implementing NGO (cash in envelopes); in some instances, through local traders
Zimbabwe (15 districts in 4 provinces: Matabeleland North, Matabeleland South, Masvingo and Midlands) <u>Funding:</u> DFID	Emergency Cash-First Response to Drought-Affected Communities in the Southern Provinces of Zimbabwe	August 2015-May 2017 Phase I: August 2015-February 2016 Phase II: May 2016-May 2017	17 payments: initially US\$5 per household member this increased to \$7 in August 2016 households on average receiving \$554.68 (total budget/direct	67.200 households in the first phase and increased over time, eventually reaching 73.718 households by May 2017	ensure that beneficiaries could cope with food shocks and meet their basic food needs during the 2015/16 and 2017/18 agricultural periods.	Mobile money (merchant payments and person-to-person (P2P) transfers) Mobile Network Operators (MNOs): Econet and Netone

<u>Implementing organizations:</u> CARE International and World Vision International			recipients) through 17 payments.			
Lebanon Funded by DFID and ECHO MPC assistance in Lebanon is currently provided by multiple, independent agencies and consortia (the largest being UNHCR and the LCC), using standardised approaches under the coordination of the Basic Assistance Working Group. <u>This thesis only takes a look at the LCC implemented MPCA</u> Lebanon Cash Consortium (LCC) is comprised of six INGOs:		Pilot programs between January and April 2015. March 2015-May 2017	175\$ per month intended to complement monthly income to meet the Survival MEB	Economically vulnerable Syrian Refugees 18,496 Syrian refugee households, making around 129,472 individuals (July 2016).	Targeted severely economically vulnerable populations have improved access to essential goods and services of their choice in a safe, dignified, and empowered manner without increased negative coping mechanisms	electronic pre-paid card (using a platform established by WFP, the Blue Card) ATM cards issued by CSC Bank October 2016: The new Common Card (or ‘Red Card’) is launched and more than 160,000 refugees receive their new card between October 2016 and March 2017.

Save the Children (Consortium Lead, overall management, finance, grants and information management) International Rescue Committee (Monitoring and Evaluation and Research Lead), ACTED (GIS mapping) Care International (manages gender mainstreaming) Solidarités, (offers technical leadership) World Vision (manages communications)						
Philippines (Northern Cebu and Western and Eastern Leyte.) Mercy Corps	TabangKO ('my help') program	January 2014-February 2015	3,950 PhP (approximately 89 USD) The transfers were scheduled for disbursement in three payments: 2,000,	25,480 households	Using cash transfers as emergency assistance, Mercy Corps sought to address the outstanding needs of	Partnership with BPI Globe BanKO, a mobile micro savings bank program utilized BanKO's mobile platform

			1,200, and 750 PhP (approximately 45, 27, and 16 USD, respectively), carried out in May/June, August, and September of 2014		households affected by Typhoon Haiyan. By providing unconditional cash as opposed to in-kind relief goods, households would have the flexibility to spend according to their family's specific needs. This would ultimately allow for investment in a wide array of household or income-generating assets that would expedite recovery. Indirectly, cash transfers can also aid in the recovery of local markets by supporting traditional channels of distribution and consumption, which assists non-beneficiary households through greater demand for	
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					goods and services induced by the UCT.	
Ukraine 13 regions in Eastern Ukraine Funding: Government of the Federal Republic of Germany IOM	Multipurpose Cash Transfers to internally displaced persons in Ukraine	Phase I: June-August 2016 Phase II: September-December 2016	1,980 UAH (~70 EUR) per person	In total: 7,190 IDPs Phase I: 4,362 IDPs (1,416 IDPs exclusively in the first round; 2,979 IDPs also received assistance in second round) Phase II: 5,807 IDPs (2,795 IDPs received assistance exclusively in round 2 + 2,979 IDPs receiving assistance also in second round)	prevent vulnerable families from resorting to negative coping strategies and ensure the immediate response to cover the basic needs of IDPs left without the financial means to maintain living standards in displacement in safety and dignity.	All cash-based assistance was implemented through Ukrexim Bank via transfers, which could be drawn by beneficiaries at specified branches. Ukrexim provided the required service through 14 branches in 10 regions.
Turkey Nationwide and outside camps Funding: ECHO (European Union and member states) Implementing organizations: World Food Program (WFP), the Turkish Red Crescent (TRC),	Emergency Social Safety Net (ESSN)	Launched nationwide on 28 November 2016 (first cash distributions started at the end of December 2016) The ESSN is expected to finish in December 2018	120 TL (25 €) per capita and per month	Registered families of non-nationals living in Turkey under international protection or temporary protection. At the end of February 2017, a total of over 250 000 refugees have already received support through the ESSN program. The ESSN aims at progressively covering	providing the most vulnerable refugees with monthly cash transfers onto an electronic debit card to help them cover their basic needs	Kizilay card (ATM card used for ESSN transfers)

also known as Kizilay, and the Turkish Ministry of Family and Social Policies (MoFSP).				one million of the most vulnerable refugees in the course of 2017		
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Table 5: Positive and negative/disappointing results

Programs	Positive results	Challenges/unintended results
Lebanon MPCA (LCC) ⁴²⁹	Coordination/Program design: “MPC assistance in Lebanon is currently provided by multiple, independent agencies and consortia (the largest being UNHCR and the LCC), using standardised approaches under the coordination of the Basic Assistance Working Group.” “MPC programmes collectively provide \$175 per family per month for approximately 22% of Syrian refugees, delivering a total of \$105 million to beneficiaries in 2016.” Resilience/Reduction of NCMs: “Compared to non-beneficiaries, LCC cash recipients are more likely to opt for work as their main income source as opposed to coping strategies, such as debt, remittances, gifts and sale of assets or food [...]” - <i>Education:</i>	Coordination/Program design: “Lack of input from cash programming specialists - No baseline market assessment; and last-minute stove market assessment not acted upon - Cash transfer value based on perceived sector-specific needs (fuel and stove costs) not household income gap” “Timing challenges and competing priorities” Resilience/Reduction of NCMs: “The <u>relatively small size of MCA assistance</u> as compared to the cost of living in Lebanon is likely minimizing any potential impact on shelter and negative coping strategies.” “[...], higher consumption does not translate into greater food security.”

⁴²⁹ Cf. FOSTER Jillian J., *Impact of Multipurpose Cash Assistance on Outcomes for Children in Lebanon*, Brussels: ECHO, November 2015, 63p.

Cf. BATTISTIN Francesca, *Impact Evaluation of the Multipurpose Cash Assistance Programme*, Beirut: American University of Beirut, 12.03.2016, 80p.

Cf. KEITH Amy Louise, *The cash debate in Lebanon*, London: Overseas Development Institute, 31.03.2017, <https://odihpn.org/blog/cash-debate-lebanon/> [14.02.2018].

Cf. *Designing an inter-agency response in Lebanon*, London: Save the Children, 02.10.2014, 13p.

	“Figures from caretaker KIIs and surveys suggest that those receiving cash <u>more often enroll their children in school</u> (beneficiaries: 60.7%; control: 51.5%) <u>their children attend school more consistently</u> (12.3% of beneficiary group children and 27% control group children did not attend school in the winter), and, while still a barrier, <u>engagement in child labor is less so</u> for the beneficiary as opposed to control households” - <i>Food security/Health:</i> “[...] recipients spend more on consumption goods [...]” “However, as found also by Lehmann and Masterson, cash aid prompts beneficiaries to spend more money on food items (32.6% more; pvalue=. 003). Such a difference in expenditures can be interpreted as higher food consumption, or consumption of more expensive food.“ “[...] 50.7% of the beneficiary households, as opposed to 46.1% of control households, most recently visited a medical doctor for treatment of children in their care. Conversely, 46.1% of control households, as opposed to 40% of beneficiary households, visited a pharmacy instead of a medical doctor for their most recent medical treatment of children in the household.” - <i>Borrowing food/money</i> “LCC recipients resort less frequently to borrowing food (pvalue=. 003) or to sending households’ members to eat elsewhere (p-value=000), in order to meet food consumption needs.”	“In fact, none of the food security-related indicators is significantly impacted by LCC cash assistance: there are no significant differences in dietary diversity or in the weighted frequency of the intake of specific types of food (i.e. FCS).” Protection: “Child protection has been largely absent from LCC functions in any explicit manner. Instead, all child protection cases have historically been referred to the lead agency, including UNHCR, in each geographic region.”
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	“LCC cash assistance protects beneficiaries from having to borrow money to pay their rent.” - <i>Housing:</i> “[...] gas expenditures in a LCC beneficiary household near to the PMT cutoff point would be 11.6% higher than in a non-beneficiary household [...].” “[...] they also struggle less to sustain important costs such as rent of their housing.” Protection: “Receiving MCA represents a 4.5% reduction in protection insecurity for adults. Findings reiterate that children from households receiving MCA exhibit lower levels of protection-specific insecurity.” - <i>Psychosocial wellbeing:</i> “Receiving MCA relates to a 2.3% reduction in psychosocial issues for caretakers, an effect that is likely felt by children as well.” - <i>Social relations</i> “LCC cash assistance appears to increase the perceived sense of trust within the community hosting them, by 4.6 times [...].”	
Ukraine	Resilience/Reduction of NCMs:	Resilience/Reduction of NCMs: many families were using a range of negative coping strategies:

Multipurpose Cash Transfers to internally displaced persons in Ukraine (IOM) ⁴³⁰	“The cash assistance programme improved access to educational, healthcare, social, psycho-social and recreational services for 78% of respondents of the Post Distribution Monitoring.” Beneficiary satisfaction: “Ninety-nine (99%) per cent of respondents stated that they are satisfied or totally satisfied with the distribution process.” “Ninety-three (93%) per cent are satisfied with the amount of assistance provided. Seventy-six (76%) per cent of the surveyed households stated that the amount of assistance received was sufficient to cover their basic needs.”	“Choosing cheaper less preferred food options have remained the most commonly adopted strategy – sixty-five (65%) per cent of respondents admitted that in order to cope with the lack of money they had to choose cheaper food (100% for Mykolaiv Region, 94% for Sumy region, 91% for Odesa and Zhytomyr Region).” “Thirty-nine (39%) per cent of surveyed households were forced to cut the size of their meals (93% for Mykolaiv Region, 88% for Kharkiv, 87% for Kherson regions).” “One hundred and thirteen (113) out of 282 households (40%) reported that they decided not to receive medical treatment or buy medicine in the last two months due to lack of funds.” “Thirty - two (32%) per cent cannot afford to buy winter clothes, and wear clothes that are not suitable for winter (73% of respondents in Cherkassy region, 50% for Mykolaiv and Poltava regions)” External factors: “While IDP families aim at renting within the cheapest segment of the market, constant rent price increase is a challenge IDPs have to overcome. Average rent and utilities cost increased by 4% comparing to PDM of the 1st round of cash assistance (September 2016” (still, sum of money not raised)
Turkey Emergency Social Safety Net (ESSN) (WFP and others) ⁴³¹	Coordination/Program design: “The programme leverages the existing WFP-TRC e-card scheme and the expertise of the Ministry of Family and Social Policies	Coordination/Program design: Own remark: inadequate number of translators is the biggest challenge slowing down the ESSN roll-out

⁴³⁰ Cf. *Post Distribution Monitoring of 2nd Round of Cash Assistance to IDPs in 13 Regions of Ukraine*, Geneva: IOM, December 2016, 15p.

⁴³¹ Cf. *Quarter 4 2017 Monitoring Report*, Ankara: WFP Turkey, 2017, 6p.

Cf. *Turkey Country Brief*, Ankara: WFP Turkey, January 2018, 2p.

Cf. *January 2017 Monitoring Report*, Ankara: WFP Turkey, January 2017, 6p.

	(MoFSP), under the coordination of Turkey’s Disaster and Emergency Management Authority (AFAD).” “The ESSN closely aligns with existing national social assistance programmes and works through government welfare centres.” “The Joint Management Cell kicked off in January 17, with a workshop in Ankara comprised of key TRC & WFP pro-gramme staff. Following the workshop, the M&E/VAM work stream members have held weekly meetings. The meetings serve to finalize plans and targets, report on progress, identify challenges and jointly seek solutions, report on progress, identify challenges and jointly seek solutions.” Resilience/Reduction of NCMs: “Overall, the ESSN assistance reduced beneficiary households’ reliance on debt significantly.” Financial inclusion/literacy: “The majority of participants stated their satisfaction with receiving the assistance via a bank account.” Protection: “A referrals system has been established to ensure protection cases and refugees with needs outside the ESSN are referred to relevant service providers for assistance.”	“The lack of formal address, or proof of address, is also proving to be a challenge in the application process in some locations, such as Halfeti (Sanliurfa). In Istanbul, the application process was delayed by slow DGMM registrations, late appointments at the PDMM for family composition changes, and difficulties in obtaining disability reports.” <i>Different assessment methods being applied</i> Use of different application forms: “As noted in the December report, some SASFs [Social Assistance and Solidarity Foundation] continue to use forms different from the standard, agreed application form. Some places use only the Turkish version, rather than Arabic .” SASF staff not adequately trained: “The initial online training does not seem sufficient, as many SASF staff do not seem well informed about all ESSN related procedures. This is particularly of concern in rural SASF offices, as noted in the December report.” - <i>Limited understanding of ESSN among refugees:</i> “Similar to the December finding, WFP monitors noted ongoing limited understanding of the ESSN and how to apply. In January, this was particularly of note in Elazig, where many refugees were not aware of the ESSN.” - <i>Host community tensions:</i> “This issue was noted in Aksaray, with the Turkish citizens wondering why they were not also included for ESSN assistance. In Defne (Hatay), some vulnerable Turkish people requested SASF assistance similar to what the Syrians receive. In Pazarcik (Kahramanmaras), monitors noted that the host community believes the SASF is giving Turkish money to Syrians.”
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		Resilience/Reduction of NCMs: “Many participants reported fewer job opportunities in agriculture and construction as well as general casual labour in urban areas. It seems very common that refugee children work to support their families, some starting as early as nine years old, often as apprentices in barber and tailor shops. In many cases, children are pulled out of school to work full time during periods of financial stress.”
Philippines TabangKO program (Mercy Corps) ⁴³²	Coordination/Program design: “In addition to the UCT, a randomly selected set of participants received a brief one-hour overview of general financial literacy principles from the Microfinance Innovation Center for Resources and Alternatives (MICRA), a local consulting company, when they registered to receive the cash transfers and opened their bank account.” • “For a randomly selected subset of beneficiaries, Mercy Corps added to the financial overview training by providing additional financial literacy messages via voice calls that promoted savings through a ‘soap-opera’ style 12-part story. “ - <i>Exit strategy:</i> Own remark: SimulaKO, which means “my beginning,” is a financial inclusion program that builds on TabangKO’s cash disbursement platform. • Own remark: Mercy Corps will improve the financial literacy of typhoon-affected families and give them access to newly developed financial products.	Coordination/Program design: Own remark: Not every beneficiary benefited from financial literacy training (experimentation with beneficiaries) Resilience/Reduction of NCMs: “The data collected within this report show that the majority of households targeted by Mercy Corps’ program have not yet fully recovered almost one year after Typhoon Haiyan. “ • “This reflects the experience of 1,659 households spread out over 39 barangays¹⁶ across the western half of the island of Leyte.” • “76.5% of respondents report they have somewhat recovered but are still worse off than before Haiyan.” • “The level of home recovery is lower compared to overall recovery, with 45% saying they have “somewhat” repaired their home.” Financial inclusion/literacy: “The introductory financial literacy overview given during registration events did not have any effect on the savings behavior of beneficiaries.”

⁴³² *Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion*, Portland: Mercy Corps, 40p.

	• Own remark: Cash transfer recipients are required to open a BanKO savings account, thereby joining the formal financial sector. • Own remark: With that, families can access other BanKO products, such as insurance and loans. Resilience/Reduction of NCMs Own remark: Single sum transfers resulted in increased ownership of small productive assets • “[...] households that received the single cash transfer invested more in small livestock (hogs, goats, and poultry) when compared to households that received the same amount of cash in three payments.” • “[...] potential disadvantages of receiving a lump sum – such as spending less cash on food and other daily consumption goods, and the use of more negative coping strategies to offset money spent on larger investments – did not materialize within the study.” Financial inclusion/literacy: “Mercy Corps was able to introduce an under-banked population to formal banking products through a UCT program.” “[...] there is evidence that routine voice messages can help push households toward financial behaviors, like saving, that can contribute to their resilience to and recovery from future natural disasters.”	• “Changing the behavior of beneficiaries, such as increasing cash savings, financial investment, and the use of more sophisticated financial products, will likely require more engagement than a one-time overview.”
DRC	Coordination/Program design: Own remark - Builds on previous program: ARCCI (NFI fair approach) ARCCII:	Coordination/Program design: Submission of cash transfer projects, particularly multipurpose cash projects, discouraged by:

ARCCII (UNICEF) ⁴³³	Own remarks: first cycle of the program: adaptation of the previous NFI fair approach to include new areas and beneficiary groups + 3 pilot projects • one pilot exploring the use of vouchers in existing markets (rather than in fairs) with Solidarités International in Orientale province • 2 pilots using UCT – ○ one with Concern Worldwide in North Kivu ○ one with the Associazione Volontari per il Servizio Internazionale (AVSI) in South Kivu ○ all were conducted on a small scale UNICEF and UKaid built upon these pilot projects in developing ARCC II. “CARE created the first dedicated CWG in 2011 in Goma, with funding from ECHO and in collaboration with ACF, Concern Worldwide, Oxfam, Save the Children and WFP.” • “Although meetings were held and there was a dedicated coordinator, the group served primarily as a community of practice.” • “After funding ended in late 2012, UNICEF took the lead, with WFP and various NGOs.” • “The Goma CWG has since provided an important forum for operational coordination (e.g. liaising on intervention areas, sharing lessons, identifying gaps, harmonising approaches).”	“[...] CERF allocations are sector-based: UNICEF submitted projects (which included the option to use cash transfers) to the NFI/shelter ‘envelope’; CERF funding was then used to cover the NFI/shelter component of the multipurpose cash transfer.” “[...] analysis on funding needs and project submission processes are sector-based.” • “Clusters play a key role in analysing gaps in their sectors, which the Humanitarian Financing Unit (HFU) then uses in determining funding allocations.” “CHF guidance notes on funding also have not consistently stated that projects using cash transfers can be submitted.” “The Goma CWG [...] has lacked predictable resources to ensure sustained leadership and functioning, and there is no comprehensive, national overview of programmes using cash and vouchers.” Resilience/Reduction of NCMs: “ [...] beneficiaries stated that a number of financial constraints continued to limit their well-being.” “The majority of informants demonstrated that although the transfers may have helped to overcome certain shocks, they did not create sustainable resilience for beneficiaries.” “At endline, beneficiaries continued to highlight problems with similar shocks and stressors identified at baseline, explaining that
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⁴³³ Cf. BONILLA Juan et al, *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF’s ARCCII Programme*, April 2017, Washington DC: American Institutes for Research, 143p.

Cf. BAILEY Sarah, *Humanitarian Cash Transfers in the Democratic Republic of Congo*, London: Overseas Development Institute, March 2017, 19p.

	Resilience/Reduction of NCMs: “In total, over 90 per cent of the transfer was invested in ARCC II objectives and the remainder was used for savings, debt repayment and others goods, including personal items such as batteries, razors, candles, bags and suitcases.” • <i>Food security/Health:</i> “The results showed that beneficiaries reported being more food secure due to the programme.” “[...] households that were vulnerable in terms of their FCS – a quantity/quality food index – had additional food expenditure of CDF 1,764,31 compared to less FCS-vulnerable households.” “[...] 34 percentage point decrease in the number of households that had gone without food in the last month, with 42 per cent of beneficiary households going without food, compared to 77 per cent of the comparison group.” “Beneficiaries were also 53 percentage points less likely to have gone to bed hungry and 17 percentage points less likely to have gone a whole day without food, relative to the comparison group, in the month before the endline survey.” “[...] households that had to forgo medical treatment (which can be considered vulnerable in terms of health care access) used a larger portion of the transfer on health care expenditures.” “[...] programme improved children’s access to health care by 21 percentage points, with fewer beneficiary households forgoing health care treatment for children due to lack of money, compared to the comparison households.”	major obstacles to resilience included drought, plant diseases, loss of crops, loss of housing and looting.” “Mechanisms for dealing with these shocks were consistent and included reducing the amount of food consumed by the family, performing daily work in the exchange for food, participating in small commerce, selling part of one’s harvest, taking on debt and removing children from school.”
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	• <i>Education:</i> “Households with more children had higher education expenses [...]” “ [...] families who received multiple transfers were three times more likely to use the transfer on school fees (nine per cent compared to three per cent or single transfer families).” • “This result is not surprising as families who received a single transfer at a moment that does not necessarily coincide with the academic calendar should be less likely to save a portion of the transfer for payment of school fees and use it in other more immediate household needs.” “ [...] a 13 percentage point impact on school enrolment for boys [...]” • “ [...] although beneficiary households spent an average of just 9 per cent of the transfer on education, 26 per cent of these households spent some portion of their transfer on school fees.” • <i>Livelihoods:</i> “ [...] households that received a single instalment were more likely to spend the transfer on more costly ‘bigger-ticket’ expenses like housing and livestock relative to households that received three transfers.” “The programme increased the number of households earning income from their own farm by 12 percentage points, with 41 per cent of beneficiary households earning income from their own farm.”	
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	“ [...] beneficiary households increased the ownership rates of every kind of livestock over time, particularly goats, guinea pigs, pigs and poultry.” • <i>Savings and debt:</i> “ [...] 16 per cent of beneficiary households were able to save [...].” Own remark: the programme decreased the number of households with any debt by 10 percentage points • <i>Household and community relations</i> “ [...] cash transfers also hold the promise of strengthening community and intra-household ties, as well as bolstering the decision-making power of women.” • <i>Other effects:</i> “The programme also reduced the number of beneficiary households doing agricultural work for other people (off-farm agricultural income) by 12 percentage points.” “One female beneficiary also paid people to work her land, although bad weather meant that nothing was produced.” Protection: “The increased food security, school enrolment, access to health care for children and resiliency of beneficiary households also demonstrated that the transfer had protective benefits.”	
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Zimbabwe Emergency Cash-First Response to Drought-Affected Communities in the Southern Provinces of Zimbabwe (CI and WVI)⁴³⁴	Coordination/Program Design “[...] effectiveness of the programme’s use of adequate mobile networks, accountability systems, comprehensive monitoring loops and tight interactions with DFID.” “OPM reported that the depth and quality of the programme’s monitoring system made it a core strength.” • “A further strength was the comprehensive accountability system, which facilitated problem-solving and enabled feedback, including anonymously.” • “District government staff portrayed a strong and open working relationship with the implementing agencies, with the District Drought Relief Committee being the key forum for prioritising intervention areas and coordinating different relief efforts” • “Some district administrators or their assistants were actively engaged in the programme – visiting sites, engaging with councillors and observing the ward meetings about the programme.” Resilience/Reduction of NCMs: „21.7% reduction of negative coping strategies“ - <i>Food security/Health:</i>	Coordination/Program Design “The 2015–17 response ended up with two cash consortia, one funded by DFID and another funded by ECHO.” • “There is clear scope for greater donor coordination to enable one primary cash mechanism, thus reducing transaction costs and increasing efficiency in line with Grand Bargain commitments.” • “Nearly all groups described how some better-off people made it into the programme. It should be noted that the percentage of inclusion error often appears high in Table 9 but the number of ‘wealthy’ people were few [...]” Own remark: At the same time, there is also an argument for not expanding verification. • “Doing an entire physical verification process could undermine the communities’ decisions on who should benefit, and communities may value certain criteria more than the NGOs.” • “For example, people from one village discussed how that they deliberately included a few better-off people so that they could then rely on them for casual labour in the future.” • “In other words, what would be the point of having a community-based targeting process only to essentially re-do targeting through an entire physical verification?” • Resilience/Reduction of NCMs:
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⁴³⁴ Cf. *Adaptable and effective: Cash in the face of multi-dimensional crisis. Lessons from Zimbabwe*, London: Care International, June 2017, 8p.

Cf. BAILEY Sarah et al, *Zimbabwe ‘Cash First’ Humanitarian Response 2015-2017. Evaluation report*, Oxford: Oxford Policy Institute, June 2017, 107p.

Cf. BAILEY Sarah et al, *Evaluation findings, lessons and future thinking on cash transfers in Zimbabwe*, Oxford: Oxford Policy Institute, 8p.

	“CARE International UK’s internal evaluation found that cash transfers in target areas significantly boosted food security, nutrition and abilities to cope with shocks.” “The main change that beneficiaries experienced was increased food consumption and eating a ‘normal’ diet, which had been reduced and modified as a result of the drought.” “Meals increased by 29.2% for children (from 1.84 to 2.72) and 18.6% for adults (from 1.94 to 2.50).” - <i>Education</i> “Some people were able to use a portion of the money towards school fees, school debt repayment, uniforms and school supplies [...]” - <i>Livelihoods:</i> “Subsistence farming, which is the most common livelihood in the areas visited, was extremely vulnerable to the impacts of drought and was also the livelihood perceived as most affected by the cash transfer, because some people purchased inputs, had more time to spend in their fields (owing to not pursuing casual labour), and more energy to work.” - <i>Community/social relations</i> “In terms of gender and social dynamics, CARE International UK’s internal evaluation found that the programme had a positive effect.” • “It [the programme] deliberately targeted women in the households to receive the cash, where possible. This was seen as a catalyst for enhanced joint decision-making in households, alongside the active role played by the gender and accountability focal points in encouraging equal	“The combination of a liquidity crisis and recurrent climate shocks severely reduced the ability of target communities to pursue long-term planning in their asset-building strategies.” “[...] overall the transfer had little impact on access to services as people prioritised food needs .” “People continued to often rely on less expensive food to varying extents throughout the programme (this percentage never dropped below 25%).” “Other strategies that were used often and changed little throughout the programme were reducing education expenditure and reducing health care expenditure.” “[...] in Matabeleland North sites, discussants stressed that their hard work in the fields and any purchase of seeds had been undone by the heavy rains.” “Some people reported with frustration and sadness that they had planted multiple times only to watch the rain wash away the crops, or that if they had known that the rains would be so severe they would not have bought seeds with the money.” Some beneficiaries were using the transfer for “paying school fees or paying down school debts (some beneficiaries reported debts of up to \$250, and indicated that making a small payment would smooth over relations with the school and village authorities).” - “Others indicated that their debt continued to mount as they still could not afford the fees.” Local economy: “The project injected more than \$40.9 million into the businesses and service providers frequented by rural Zimbabweans.”
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	control of resources between women and men in the household.” • “Similarly, a trend was identified of greater engagement and leadership within community groups, albeit clustered within particular types of religious networks.” • “Cash transfers were viewed by most as having neither a positive nor negative impact on social relations, or else the cash transfers improved social relations, because fewer people needed to ask for food and more had something to give.” - <i>Others:</i> “[...] cash transfer was a critical source of household income, particularly in the lean period (from October to March, with January to March the peak) when other sources were reduced or non-existent.” Local economy: “[...] in some cases, increased goods at rural local shops.” “Recipients spent their combined millions of dollars at local village shops, business centres with more and/or bigger stores and larger towns and cities with cheaper prices (and in some cases with industrious traders who transported goods to villages).” “Village shops (especially ones with maize and mealie meal): • These were frequented by people who did not want to travel for better prices or more diversity. • In some isolated areas we visited that had only a few shops, shopkeepers described huge profits and stated that beneficiaries had made up most of their sales in the previous year. • A few indicated that they had increased their overall stock as a result; two were opening new shops nearby.	• “On the other hand, food aid purchases would likely have primarily benefited wholesalers in South Africa and Zambia and transporters” Financial inclusion/literacy: “[...] some people could not independently conduct mobile money transactions.” “The portion of people facing challenges dropped to only 6–8% in February and March 2016 but increased in July 2016 to 20%, perhaps a reflection of the reduced transfer values that month. Challenges increased to 33% in October 2016 and spiked at 40% in November 2016 owing to the cash crisis (the main challenge reported was agents not having enough cash).” “[...] some people never improved, or even tried, particularly older people who relied on the shopkeeper or mobile money agent to do the transaction.” “Informants consistently reported that having shopkeepers or agents do transactions has not led to abuse or fraud, although the team did hear of a small number of cases of elderly people being taken advantage of after asking someone they knew, often a grandchild, to retrieve their money.” “Focus groups, GAFs, NGO staff and MNO representatives indicated that the main problems for accessing payments were line registration issues and blocked SIMs.” “The combined bundle of services used by target households has only increased marginally.” Problems of access:
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	• Most shopkeepers reported being registered as a mobile money merchant or having an application being processed and using mobile money to procure goods from wholesalers.” “Shops in towns and cities (especially ones with maize and mealie meal): • People living close to major towns or willing to travel opted for those shops because of their lower prices compared to ones near their villages. • In Lupane town, some merchants were aware of the programme and its impact on sales. ○ One said that before the programme they only looked forward to the police getting paid on the 19th of each month, but now they tended to see shops flooded with villagers at a similar time each month, during which turnover would go from \$100–\$200 to \$400–\$500 per day.” “Mobile money agents: • local mobile money agents were big winners when cash was available to cash out, as they receive a portion of the fee charged by MNOs. • The precise commission varies on the amount cashed out. • As an example, if agents had an average commission of 1% and \$20 million worth of cash transfers were cashed out, they would have made \$200,000 in income.” Financial inclusion/literacy: “[...] increased exposure to and understanding of mobile money; increased ownership of SIM cards and handsets; it encouraged application for national IDs (for a small number of people, as this was one of the government requirements for receiving mobile transfers); [...]”	“Initially, the main challenges faced were distance to reach the pay agent and long waiting times.” “While Zimbabwe has good mobile network coverage, some individual wards do not.” • “In Musungu (Gutu district), FGD participants reported that only one household in the whole ward had network coverage network.” ○ “The grandson of the woman who lived there would send the message to others that the transfer had arrived.” ○ “People would then go to the shops and walk with the shopkeeper 200–500 metres to do the mobile money transaction at a spot that had coverage.”
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	“The programme duration provided time for people to familiarise themselves with technology [...]”. “CARE and WVI staff, mobile money agents, shopkeepers and GAFs all underlined that recipients have gotten better at making transactions owing to practice and receiving instructions from others (e.g. other beneficiaries, shopkeepers, mobile money agents, headmasters, GAFs, etc.).” • “A few shopkeepers estimated that about half of the beneficiaries could perform e-wallet transactions on their own.” Beneficiary satisfaction: “74.2% of target respondents are satisfied or totally satisfied at endline.”	
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Confronted with a variety of challenges, the international humanitarian system tries to develop innovative approaches in order to adapt and adjust humanitarian action to the needs and requirements of our time. One of these approaches, which is considered to have a positive transformative potential, is multipurpose cash transfer programming. This thesis aims to illuminate the ideas behind multipurpose cash transfers (MPCTs) in an effort to understand the possible long-term impacts of MPCTs on beneficiaries and their communities. How does this reform idea conceive beneficiaries? Are beneficiaries and their well-being the primary concern of this reform or are the benefits of it rather directed towards the administrative, donor- and implementer-side? What do practical experiences with this type of programming tell us? All these questions will be answered in the course of this paper, finally leading to a conclusion concerning the benefits or harmful effects of MPCTs on beneficiaries and their communities.

