



Learning into action:

Cash transfers to tackle child labour in cocoa

Cash transfers are one of the most promising ways to address child labour globally, according to [research by the International Labour Organisation](#). In recent years, they have gained attention in agricultural supply chains, including cocoa, with an increasing number of private companies implementing these programmes. This brief presents two innovative cash transfer projects implemented by ICI in cocoa-growing communities in Ghana and Côte d'Ivoire. It also provides practical action points to overcome common challenges.

What are cash transfer programmes?

Cash transfer programmes provide direct financial assistance to individuals or households. This approach provides recipients the flexibility to spend money on their priority needs. There are various types of cash transfer programmes.

- **Unconditional cash transfers** are given without requiring specific actions from recipients.
- **Conditional cash transfers** are given if recipients carry out a specific action, such as enrolling their children in school.

- **Cash plus models** combine cash transfers with other forms of support, recognising that cash can have a greater impact when combined with other services.

This brief focuses on unconditional cash transfers and cash-plus programmes, based on ICI's experience in cocoa-growing communities in Ghana and Côte d'Ivoire.

Cash transfers, cocoa and child labour

Cash transfers are a widely used poverty reduction intervention all over the world and have been shown to improve a broad range of social outcomes for recipient families, including education, health and nutrition.

In 2020, ICI conducted a randomized experiment in Ghana to assess whether cash transfers could effectively reduce child labour in cocoa supply chains. The findings demonstrated that providing financial support to cocoa-growing households can help reduce child labour and improve child protection.

Since then, ICI has implemented several cash transfer programmes in Ghana and Côte d'Ivoire, which have shown promising results:

- **Strengthened ability to meet children's basic needs.** Households have additional funds to cover essential household needs, such as food, clothes and healthcare.
- **Increased household resilience.** Cash transfers mean households are better able to deal with unexpected shocks, like an illness in the family. Cash helps them avoid resorting to negative coping strategies, such as child labour, to make ends meet.
- **Diversified livelihoods.** Cash transfers enable families to invest in farming activities or alternative income-generating activities, diversifying their income sources and making them more resilient to unexpected events, which can in turn reduce reliance on child labour.
- **Increased access to education.** Cash transfers help households afford school-related expenses like uniforms and school supplies, making it easier for children to attend school.
- **Reduced child labour.** Cash transfers can help reduce reliance on child labour. A randomised experiment conducted by ICI revealed that unconditional cash transfers can reduce child labour by 16%. Discover the results [here](#).

Cash transfers in practice

While cash transfers can be a valuable intervention to reduce child labour, their impact depends on how they are designed and implemented. [Several studies](#) show that if not properly designed, cash transfers can inadvertently cause an increase in child labour, especially if the recipients use the funds to set up new business activities that create a higher demand for labour within the household.

Cash-plus models offer the possibility to enhance cash transfer programmes' effectiveness by combining financial support with complementary interventions that address the root causes of child labour and promote behaviour change. Likewise, combining cash transfers with awareness-raising sessions about child labour can guide households to make decisions that better protect their children.



Cash plus incentive to spend on labour

Cocoa production on smallholder farms is highly labour intensive, but supply for affordable adult labour is limited in cocoa-growing communities. This often pushes farming households to rely on their children for labour.

Providing households with unconditional cash transfers and incentives to hire adult labour helps address this issue and has proven to be effective at reducing households' use of child labour.

How does it work?

Targeted cocoa-producing households received an unconditional cash transfer. During a specific period, the programme doubled any money spent on hiring adult labour groups, known as [Community Service Groups](#), up to the equivalent of the cash transfer amount. By providing an alternative means of doing work that might otherwise fall on children, these groups can help reduce child labour rates in cocoa-growing communities.

In parallel to the cash transfer, Community Service Groups received equipment and training on good agricultural practices, enabling them to offer quality agricultural services.

Why invest in this cash plus programme?

This cash-plus programme enhances the benefits of traditional cash transfers by addressing one of the root causes of child labour in cocoa-growing communities: the lack of access to affordable adult labour.

- **Provide an alternative to child labour.** By providing households with additional funds to spend on adult labour, this programme helps reduce farmers' workload and decreases the need to engage their children in farm work.
- **Strengthen the supply of affordable adult labour.** This cash-plus programme helps strengthen Community Service Groups,

increasing demand for their services and boosting their revenue. Findings from our pilot project show that 72% of cash recipients hired some form of adult labour, with 48% specifically hiring a Community Service Group. This increase in demand contributes to group growth and professionalisation, ensuring they can continue to provide services in the long term.



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Before [the cash plus programme], the parents used their children in the farms, now they solicit us for their work instead of the children.

COMMUNITY SERVICE GROUP MEMBER

What works to implement this cash plus programme?

- ✔ **Spread the word about the Community Service Group and the incentive.** Ensuring that households are aware of available adult labour services and the incentive to hire them is key to ensuring the subsidy is used.
- ✔ **Support adult labour groups to meet high demand.** Providing training and equipment to existing Community Service Groups, as well as helping set up new groups, is crucial to ensure that all cash recipients who wish to benefit from these services can do so.
- ✔ **Raise awareness about child labour in parallel,** to ensure households understand the purpose of the incentive. This helps reinforce the value of using adult labour instead of child labour, ensuring that cash transfers achieve their child protection goals.

Additional resources

[Implementation Guide: Cash transfers to promote access to adult labour in cocoa communities](#)

[Learning into Action: Strengthening adult labour groups in cocoa-growing communities](#)

Learning report: [Innovative strategies to stimulate adult labour and tackle child labour](#)



Cash plus VSLA and gender training

Men and women spend differently. [Women tend to prioritise their families' health, nutrition, and education](#). However, most household heads are male, and women don't always have equal decision-making power within the household.

Ensuring women can bring their priorities to the table by transferring the cash to them can help ensure that [children benefit more from the cash transfer](#). Organising training sessions on gender equality in parallel can help encourage more equitable decision-making power within households and raise awareness about the benefits of gender equality for everyone.

How does it work?

Women in targeted cocoa-producing households received monthly unconditional cash transfers over a period of 9 months. Households with children of primary or secondary school age received an extra cash transfer each month. In parallel, cash recipients were encouraged to join Village Savings and Loans Associations (VSLA) and to participate in Gender Action Learning System (GALS) training with their husband or partner.

- [Village Savings and Loans Associations](#) are savings groups, often targeted at women, that promote saving and borrowing in communities where access to formal financial services is very limited. Members make regular contributions to a collective pool from which they can take out small loans and repay the money in time with a flat rate of interest. At the end of the year's cycle, the group's collective profits are then distributed to its members on a scale dependent on their contribution.
- [Gender Action Learning System](#) is a community-led empowerment methodology that uses participatory processes and diagram tools to give women as well as men more control over their lives as the basis for individual, household, community and organisational development. Topics covered during the training include parenting skills, communication skills and conflict-resolution strategies within a couple, equitable household roles and decision-making as well as financial planning.

Why invest in this cash plus programme?

This cash-plus programme has proven to enhance the benefits of traditional cash transfers.

- **Promote gender equality and joint decision-making in households.** GALS training encourages joint decision-making within households, enhances cooperation between spouses, and promotes a more equitable distribution of household responsibilities.
- **Enhance child protection.** When women have access to cash and more financial decision-making power, they prioritise children's needs, leading to increased spending on education, healthcare, and nutrition.
- **Reduce child labour.** GALS training emphasises good parenting practices and the importance of education for children's healthy development. This helps shift household attitudes and encourages households to stop engaging their children in child labour. Our experience shows that children in households receiving cash and participating in VSLA and gender training are 14% less likely to be in child labour compared to those in households that did not receive cash nor participate in the activities.
- **Encourage income diversification.** Combining cash transfers with VSLAs encourages cash recipients to invest in small-scale businesses and farming activities, providing households with alternative income sources that reduce economic vulnerability.
- **Improve financial management skills.** Through VSLAs and GALS training, households learn how to save, prioritise essential expenses, and invest in income-generating activities. This can benefit children, as their parents are better able to prioritise their needs instead of spending impulsively.



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Initially, I was not engaged in any business, however, since I started my business, I have been able to support my husband in paying my children's school fees. We used to fight, now we communicate respectfully.

FEMALE CASH RECIPIENT

What works to implement this cash plus programme?

- ✔ **Integrate the programme with existing community structures.** Leveraging established VSLAs or women's groups increases programme acceptance and can ensure long-term sustainability.
- ✔ **Address resistance.** GALS trainings touch upon sensitive topics, which may raise resistance from community members. Explaining the purpose and importance of the training and using local and context-specific language and visual aids can facilitate acceptance.
- ✔ **Partner with specialised agencies.** Providing cash transfers, GALS training and setting up VSLAs requires skills and experience. Collaborate with specialized organizations, as needed, to ensure high-quality delivery and maximize the programme's impact.
- ✔ **Raise awareness about child labour in parallel.** Integrating child labour awareness into GALS training and VSLA meetings ensures that group discussions also emphasize child protection.
- ✔ **Ensure cash goes into women's hands.** While mobile money systems can reduce the risk of theft and provide more flexibility, ensuring that women receive the cash can be challenging if they lack access to mobile money platforms. Be prepared to accompany participants through this process and to support them with training on digital literacy, personal SIM cards, subscription to mobile money systems, or phones, where necessary.

Tackling challenges in cash transfer programmes

While integrating cash transfers in supply chain-based projects has brought significant benefits to smallholder farmers and their children, they can also create tensions within communities. Those not eligible for the cash transfers, either because they are not part of a specific supply chain or because they do not meet certain vulnerability criteria, may perceive the process as unfair, leading to resentment and jealousy. It is crucial to mitigate these tensions and build trust.

- **Establish clear and transparent eligibility criteria.** Define who qualifies for the cash transfer and why. In some cases, involving local leaders in the selection process can ensure fairness and legitimacy, which can contribute to community acceptance. If specific eligibility criteria are used, ensure that reliable and up-to-date information about households in the community is available to inform the selection process.
- **Communicate openly and consistently** about the criteria and selection processes. Use locally appropriate language and communication methods and adapt the messaging to fit community dynamics. Furthermore, make sure that all stakeholders and implementing partners – including cooperative leaders, field staff and agencies implementing cash plus services – communicate the same clear messages about the programme to avoid misunderstandings and build trust.



Want to learn more?

Learning report: [Cash transfers, resilience and child labour in Ghana](#)

Literature review: [The effect of cash transfers on child labour: Evidence from rural contexts](#)