

## Method 5: Access to Cash for Coping with a Shock

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### Purpose

Impoverishing shocks & processes sometimes require cash expenditures, as well as place limits on the capacity of individuals and households to generate income.

For example, illnesses often require cash expenditures for medicine, travel to clinics, etc. In addition to loss of labour, this can constitute a “double blow.”

This activity is intended to:

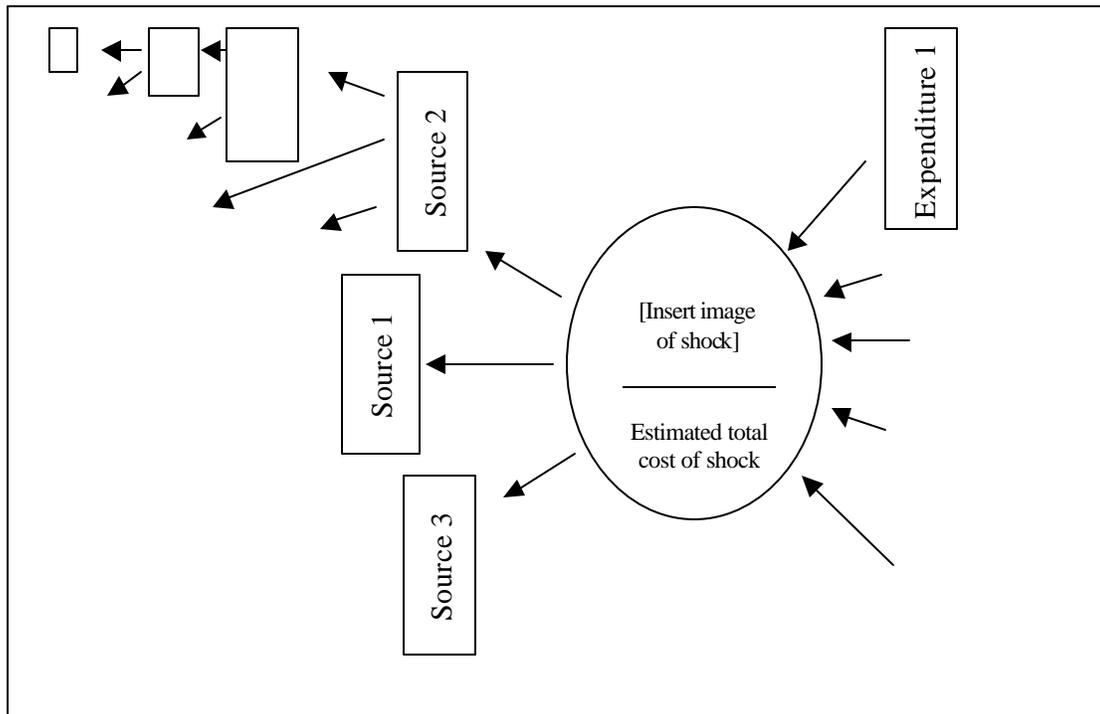
- Identify where people who are *already* poor get the money to meet these sudden expenditures
- Explore whether or not the channels people use to access money entail additional costs

Each Livelihood Team is to conduct this exercise *twice* during the 2<sup>nd</sup> Round of Fieldwork.

### Process

**Step 1:** Identify an individual or household that has suffered a shock requiring significant cash expenditures and is willing to reflect on the experience.

**Step 2:** Have the participant(s) choose and draw an image representing the shock. This should be placed towards the foot of a flip-chart.



**Step 3:** Monetary *expenditures* stemming from shock should be drawn and labelled below/to one side. If the shock is T.B., then the expenditures might include:

- Cost of transport to and fro the clinic
- Cost (if any) of bribery to see a physician, etc.
- Cost of testing
- Cost of treatment
- Costs of special foods, etc.

After expenditures have been identified, they should be totalled and the amount written beneath the central image.

**Step 4:** Next, explore how the individual or household accessed this cash. There may be several sources, so take care to name them *all*. For example, expenditures may have been covered through a combination of:

- Savings
- Gifts from family members
- Sale of assets (reproductive or productive)
- Loans

These “sources” of cash should be drawn and/or labelled above/on the other side of the central image.

**Step 5:** Analyse the costs associated with each source... For example:

- Have expenditures stemming from the shock depleted savings?
- Have assets been sold that undermine the individual’s/household’s productive (e.g. animals, land, fishing gear) or reproductive (e.g. pots & pans, house) capacity?
- What were the terms of getting a loan? What was used as collateral? What will happen if the loan cannot be repaid?

**Step 6:** Continue “interviewing the diagram.” The facilitator might, for example, ask participants:

- To rank the order of preferred sources for coping with crisis (the use of savings might be first, but what is next and what is last?)
- To explain which options are the easiest and most difficult to pursue
- To consider if more predictable costs (e.g. weddings and taxes) necessarily more easy to cope with, or if these ever require borrowing/selling assets, etc.