



MICROECONOMIC INITIATIVES

ECONOMIC SECURITY

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INTRODUCTION

A steady income can be crucial during and after a conflict. It ensures that people can cover their most urgent material needs and unavoidable expenses – such as housing, health care and education – in a dignified and sustainable way. But when violence breaks out, it can be impossible to earn a living. The International Committee of the Red Cross (ICRC) uses microeconomic initiatives to help people affected by armed conflict and other violence return to their occupations or find new ways to make money. That could be in agriculture, crafts, trade and services.

We give people grants of cash or equipment to get them on their feet or help them access vocational training to build their skills or learn new ones. We also support microcredit initiatives so that people can invest in their businesses and boost their incomes. Our support is tailored to each person's needs and abilities, often incorporating individual coaching.

PRODUCTIVE GRANTS

When people affected by violence want to improve their livelihoods, we may give them grants so that they have what they need to earn a living. This might be equipment, such as a sewing machine or an electric drill, or cash to pay for what they need. Each person who gets a grant is responsible for determining what they want to do and need to get started. And each grant reflects the person's occupation, skills, education and level of motivation. For example, an auto mechanic might get power tools or jacks so that they can start their own garage.

But although the projects are driven by the recipient's goals, we are by their side throughout the process: we help them draw up a plan and acquire basic business skills, and we check in with them as they get their project off the ground. This support is critical to ensuring that they can set up their business and generate a steady income in the months and years that follow.



VOCATIONAL TRAINING

Grants enable people to make use of their existing skills and education. But sometimes to get a job or set up a business what people need is further training. That is why we help people affected by violence to get vocational training – to learn new skills or strengthen existing ones and become competitive on the local labour market. Vocational training can also help someone find a job by giving them an official certification or work experience through an apprenticeship.

While the ICRC does provide training where necessary, we usually partner with local training institutions. We also reach out to local businesses to secure apprenticeships. Successful vocational training may be a first step for someone who wants an ICRC grant to build a business.



SUPPORTING MICROCREDIT INITIATIVES

Credit is often an essential building block for a successful business. But getting loans can be extremely difficult for people who have lost their assets and income in a conflict and have no collateral. This creates a vicious cycle: people are denied the money they need to make the money they need.

To help people affected by conflict overcome key barriers to borrowing money and start earning a living again, we partner with existing microfinance institutions

that lend money to people who are unable to get conventional loans. If no such institution exists, we provide backing to create new ones. We also support other, local organizations that lend money, like village banks. We do not lend money to people directly; rather, we ensure systems are in place for people to borrow money to support their livelihoods.

Usually, recipients of the loans are low-income small-business owners who want to grow their businesses.



MICROECONOMIC INITIATIVES AT WORK

Abdur Rahman, 32, used to have an orchard and some vegetable fields in Cox's Bazar, Bangladesh. When people fleeing the violence in Rakhine State, Myanmar, started settling on his land in 2017, he could no longer farm and lost his livelihood. To feed his family, Mr Rahman decided to put to use his skills repairing cars and started a small garage. But recurrent power outages made it impossible for him to finish jobs on time. He says, "I was losing customers, and my income was dropping fast."

That's when the ICRC stepped in. Mr Rahman got a cash grant, which he used to buy a generator and revive his struggling business. Within six months, his income doubled, and previously impossible dreams became attainable. "I'm financially stable," he says. "Now I can save up for my children's future."





WHAT IS ECONOMIC SECURITY?




Economic security is the ability of individuals, households and communities to cover their essential needs and unavoidable expenses in a sustainable way. When assessing economic security, we consider people's physical requirements, the environment and cultural norms.

Essential needs include food, basic shelter, clothing and hygiene. Any expenses related to these needs are considered unavoidable, as are taxes and the costs of health care, education and the assets people need to support themselves and their families.

The ICRC's Economic Security (EcoSec) teams work to bring victims of armed conflict and other violence rapid and flexible assistance in order to meet their essential needs and unavoidable expenses in ways that are sustainable and respect their dignity.

As part of our mandate, the ICRC helps not just civilians but people deprived of their liberty too, so we also do economic security work for detainees.

We help people around the world affected by armed conflict and other violence, doing everything we can to protect their lives and dignity and to relieve their suffering, often with our Red Cross and Red Crescent partners. We also seek to prevent hardship by promoting and strengthening humanitarian law and championing universal humanitarian principles.

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