

Tsunami analysis by Institute of Policy Studies (IPS)

- IPS: Sri Lanka's main economic think tank
- Report April: Phoenix from the ashes
- Survey August: Listening to those who lost - housing and buffer zone (WB)
- Tsunami and economic issues (ADBI): Dec
- Livelihood workshop (ILO, UNDP); Dec
- www.ips.lk

One year on: IPS report on economic issues

- Draft launched at workshop with Hon. Prime Minister on 1st December
- Draft available on IPS website www.ips.lk
- Covers micro and macro issues
- Final version available mid Dec on web
- Translated in Sinhala and Tamil early 2006

Livelihoods post tsunami: build back better?

- Workshop 1-2 December to:
 - **Understand pre-tsunami causes of poverty** to build back better
 - **Link Sri Lankan researchers/academics** working on poverty reduction with NGOs working on tsunami issues
 - **Bring together stakeholders** working on livelihood issues – especially those from Colombo and those from field offices

Livelihoods workshop - agenda

- 70 participants from local and central govt, Sri Lankan and international NGOs, donors and private sector
- Sessions on political and economic context, field level experience, fisheries sector and what does build back better mean and how can it be achieved
- Workshop report circulated by CHA

Livelihood situation

- Approx **150,000 people** lost their main source of livelihoods
- Some livelihood recovery, but:
 - incomes lower than pre-tsunami
 - Many people already poor pre-tsunami
 - Some people falling through the cracks (injured, sick, traumatised, carers)

Livelihoods: fisheries

- Over half affected households fish related workers, fishers, boat owner, process, retail, net/boat repair
- Many boats replaced, but sometimes excess boats reducing incomes, causing conflict
- Some fish workers gain as now have boat, but some fishers, boat owners lack boats
- Some boats not appropriate
- Lack of multi-day boats
- Some repairs rushed and low quality
- Nets and engines often lacking
- Lack of infrastructure, especially in East

Other livelihood categories

- Labourers: some gain from housing boom
- Micro-entrepreneurs: some got back lost equipment, but for self employed especially women, often excess production and competition so incomes falling. Shops face problems from buffer zone and micro-credit
- Tourism: small guesthouses problems from drop in tourists, lack of credit and buffer zone
- Farmers: saline lands and sometime overlooked

Key next steps at national and local level

- Large sums of money, but can create **conflict**
- Danger that physical capital replaced, but **social capital destroyed**
- Building back better livelihoods **not guaranteed** and there can be more harm than good
- Nationally, **upgrade key sectors** - fisheries, tourism and small and medium scale entrepreneurs
- At local level, design and implement **local level economic recovery** plans

Fisheries

- Fishing households vertically and horizontally stratified: need to consult more
- Priority areas:
 - Fishing infrastructure & hardware
 - Fishery management
 - Other institutional shortcomings
 - Access to non fishing opportunities

Micro-entrepreneurs

- Widening access to assets can lower income
- Shift from supply side production focus to demand led market driven approach
- Identify demand, do market research before production (eg community based tourism)
- Increase value added (eg better design)
- Organise informal sector and advocacy (eg coir cooperative)

Institutional recommendations

- Learn from and build upon past experiences of poverty alleviation in Sri Lanka
- Place livelihood recovery in broad political, economic, social, economic context
- Overcome mistrust and negative perceptions among key stakeholders
- Use improved knowledge of demand and supply of livelihood activities

Institutional recommendations (cont)

- Strengthen capacity of local govt, affected households, NGOs and CBOs to plan, implement & monitor livelihood recovery
- Improve micro-finance as tool for poverty reduction
- Help women escape low income work
- In north & east, invest after conflict as well as tsunami eg infrastructure, banking etc