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Livelihoods in Post-Tsunami Sri Lanka: “Building Back Better”?



Edited by
Paul Steele



Institute of Policy Studies
of Sri Lanka



International Labour Organization
Colombo, Sri Lanka

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Executive Summary of Recommendations for Livelihoods to be Built Back Better Post-Tsunami

1. Overview

A Workshop on “Livelihoods Post Tsunami: Build Back Better?” was organized by the Institute of Policy Studies (IPS) on 1st-2nd December 2005.¹ The workshop brought together over 70 stakeholders from local and central government, civil society, donors and the private sector working on post tsunami livelihood issues. The workshop conclusions were that:

- Livelihood recovery must focus on upgrading key sectors such as fisheries, tourism and small and medium scale entrepreneurs to achieve pro-poor growth
- At the local level, economic recovery plans must be implemented led by poor households with local government and inputs from NGOs
- To achieve national upgrading and local level economic recovery requires:
 - learning from and building upon past experience of poverty alleviation in Sri Lanka
 - placing livelihood recovery in a broader political, economic, social and economic context
 - overcoming mistrust and negative perceptions among key stakeholders
 - using improved knowledge of demand and supply of livelihood activities, and provide much greater voice for affected households
 - strengthening capacity of local government, affected households, NGOs and CBOs to plan, implement and monitor livelihood recovery programmes
 - improving the use of micro-finance as a tool for poverty reduction

2. Workshop Background

The workshop brought together representative of all the main stakeholders involved in livelihoods recovery from local and central government, NGOs, private sector and tsunami affected households.

The three main objectives of the workshop were to:

- understand pre-tsunami causes of poverty in tsunami affected households in order to “build back better” post tsunami
- link Sri Lankan researchers/ academics working on poverty reduction with NGOs and others working on restoring livelihoods
- bring together people working on livelihood recovery from across country to improve communication between those from the field and those from Colombo

¹ See www.ips.lk for more details.

The workshop was organized by the Institute of Policy Studies (IPS) with funds provided by the ILO and UNDP to cover costs including simultaneous translation. It was agreed to translate and publish the workshop papers.

3. Livelihood Situation: Livelihoods Affected and Current Progress

An estimated 150,000 people lost their main source of income due to the tsunami. A majority of them have now returned to some form of livelihood, but:

- incomes are generally lower than pre-tsunami
- many people were already poor pre-tsunami
- some people will fall through the cracks i.e., over 20,000 people are estimated to be sick and injured after the tsunami. There are also those who are too traumatised to work or who need to care for others.

Fishing based livelihoods: Over half the affected households were linked to fishing including fish workers (i.e., labourers on boats of others), fishers (i.e., boat owners who fish on their own boats) and boat owners (i.e., those who own boats but do not fish). There are also those in fish processing (e.g., drying) and selling, as well as boat and net repair. Many boats have been replaced, but in some places there is an excess of boats potentially driving down incomes and exacerbating conflict. Some fish workers and others have gained by now receiving boats, but others who owned boats pre-tsunami have yet to receive them. In other cases the boats are inappropriate for the type of fishing and are lying unused. Some boat repairs are also substandard due to the rush and there are also continuing shortages of nets and engines.

Labourers: A large number of affected families are casual labourers working in agriculture, fishing and construction. Some are currently benefiting from the post tsunami housing construction boom with wages for unskilled labour rising to Rs. 400 per day (without food). But it is not clear what will happen when the construction boom declines.

Small and medium scale enterprises and micro-entrepreneurs: Micro entrepreneurs have in some cases got back lost equipment, and skilled construction workers are benefiting from the building boom. But self employed women (e.g., coir, sewing, rope, weaving etc.) are in some areas facing excessive production and competition driving down incomes below pre-tsunami levels. Shops in the buffer zone cannot be built and cannot access credit from existing government schemes.

Tourist related livelihoods: Many of the larger hotels have generally rebuilt and reopened – often using insurance funds and even taking the opportunity to upgrade to a higher quality hotel. However, small and medium scale guesthouses which were typically not insured, have been affected by the fall in tourists, restrictions from the buffer zone and difficulties in accessing government credit.

Farmers: Affected farmers still face problems of saline land, but the monsoon should improve this. There is a concern that farmers have been overlooked due to the focus on fishing.

4. General Recommendations for Livelihood Support

There has been an unprecedented response to the tsunami with large sums of money from many sources available for livelihood recovery. While this money has enabled a rapid allocation of lost assets, it has also inevitably created conflict. There is a danger that while physical capital is being rapidly replaced, it is being done in ways that reduces the social capital of an area exacerbating existing tensions and rivalries. So “building back better” is a difficult concept and by no means guaranteed. Indeed, some initial evidence suggests that the huge influx of aid has exacerbated tensions in many areas and is in some cases in danger of creating more harm than good. The workshop identified the following key principles to increase the likelihood of “building back better”:

4.1 Learn from and Build Upon Past Experience of Poverty Alleviation in Sri Lanka

Since independence the government and other stakeholders have tried various programmes to address poverty in Sri Lanka.² In what was called the “paradox of poverty reduction in Sri Lanka”, despite relatively good social indicators, still about one quarter of the total Sri Lankan population remains below the national poverty line. Existing poverty programmes need to be understood and assessed to improve post tsunami livelihood interventions, avoid repeating old mistakes and build on what works:

- Build on what works:
 - Success of female education and health care in Sri Lanka means that most women and men are literate
- Learn from what has been less successful
 - Mixed record of micro credit over the years
 - Problems with targeting in past government poverty programmes e.g., Samurdhi
- Link up with existing Sri Lankan research and researchers (e.g., from Universities etc.) to use as a resource for livelihood programmes and monitoring etc.

4.2 Place Livelihood Recovery in a Broader Political, Economic, Social and Economic Context

In order to build back better, an improved understanding is needed of what kept people poor before the tsunami. There is also a need to understand the local situation in order for interventions not to exacerbate existing tensions and conflict. Micro interventions also need to be placed in the context of broader economic changes and other tsunami recovery challenges. Some of these issues can be addressed by at least some of the stakeholders, and it is important for all to understand the broader context to avoid interventions that are overly ambitious, unsuccessful or in the worst case make things worse than the pre-tsunami situation. One simple example is that the increase in the supply of sewing machines and in some cases boats, has in some areas potentially made these activities less profitable than pre-tsunami:

- **Livelihoods cannot be seen in isolation from other post tsunami needs:** importance of shelter and getting over trauma before people can properly return to livelihoods.

² This section draws on the paper for the workshop by Pat Alailima.

- **Understand local context** and issues of ethnicity, caste, class and gender, particularly in the conflict affected regions. Many tsunami affected areas in the north and east have suffered two decades of conflict and it is important that tsunami relief does not exacerbate this. For example, the tensions in the east that exist between different groups.
- **Understand local power relations:** In many cases, livelihood activities take place in inequitable conditions – where for example, market relationships are dominated by certain powerful groups.
- **Relate livelihoods relationships to economic context** i.e., the labour market needs to be seen in the context of the beneficial effects of the good 2005 harvest (especially in the east), and post tsunami construction boom. The construction boom provides labour to some and in particular profits to those who supply construction materials. There is also a need to relate tsunami interventions to local, national and international markets and demand for products.
- **Understand complexity of livelihood strategies** e.g., fish workers, versus fishers and boat owners. Women are generally active in the Catholic fishing areas of the west coast, but much less so in the Muslim fisheries of the east coast. Too many interventions have taken a one size fits all approach overlooking some of the complexity of livelihoods in terms of different classes, seasons, geographic locations, gender etc.

4.3 Overcome Mistrust and Negative Perceptions Among Key Stakeholders

The challenge of the post tsunami recovery is typically not lack of money overall, but too much money which can create institutional complications, rivalries and corruption. Much distrust and negative perceptions exist by the different stakeholders about other key players – international NGOs, Sri Lankan NGOs, community based organizations, civil society. This can only be overcome by trying to understand the perceptions of others and how negative perceptions can be overcome. It is important not to overly dwell on past failings – for example, trying to pin point who bribed whom? - but to move forward by involving all stakeholders in a common learning process.³

4.4 Use Improved Knowledge of Demand and Supply of Livelihood Activities, and Provide Much Greater Voice for Affected Households

It is important to collect and use better information at local and central level. Information is needed to identify beneficiaries and what has been given, to plan and to monitor progress. Local level information is needed to develop local recovery plans and at central level to track progress across the country and allow interventions to be planned. It is vital to verify macro level livelihood recovery data with micro data – in some case the macro picture seems more positive than the ground situation suggests is warranted.

- **improve knowledge of beneficiaries needs through appropriate methods:** Problem of a “low trust transaction” with stakeholders rationally providing false information:
 - Can be overcome by participatory rural appraisal (PRA) with people acting as witnesses for each other. But people need to be trained in proper PRA techniques (e.g., social mapping etc.)

³ This section draws upon the paper by Marit Haug and Chamindra Weerackody.

- Village level committees can be used to institutionalise a more consultative approach. Such committees need to build on existing structures while being careful not to allow dominance by certain more powerful groups or individuals
 - Techniques can be borrowed from those used by government in other circumstances (e.g., sworn affidavits and punishments for false information as used in issuing national ID or driver licence)
 - Cross checking data with different sources through a process of “triangulation”
 - Update Department of Census data with who has received what
- **Place beneficiary needs in the broader context** of avoiding restoring poverty, or making it worse by a real awareness of how people can escape poverty post tsunami.
 - **Match and verify macro level national data with ground situation:** National level data is required, but it must be tested and verified at the local level. The data needs to be collected in a transparent and accessible way to allow this local verification to be done – and where appropriate the national level data can be adjusted and improved.
 - **Improve use of information of interventions being undertaken:** There is a need for good information at the local, District and national level to ensure effective planning. One positive example is the way the Ministry of Fisheries has with FAO assistance highlighted the potential oversupply of boats in some areas, leading some NGOs to reduce their provision.
 - **Create capacity and ownership within government and among others to use information:** many different databases are being set up, but there is a danger that this will be another example of supply driven hardware that does not really impact on actual decision-making. This can be mitigated by working with government officials, especially at the local level and others to really understand, own and use the data.

4.5 Seize Once in a Generation Opportunity to Upgrade Key Tsunami Affected Sectors

With all the funds flowing into tsunami reconstruction, there is a need at national level to develop and implement strategies to upgrade the key affected sectors of fishing, tourism and small and medium scale enterprises. The tourism and fishing sectors have developed such strategies, but their implementation is only now beginning. There is a need to keep focused on the long term vision, without becoming bogged down into ad hoc crisis responses.

4.6 Key Stakeholders to Implement Joint Plans for Economic Development of All Households in Tsunami Affected Districts

The tsunami response phase is now entering its third phase with regard to livelihoods and incomes. First, there was emergency assistance (cash grants, cash for work etc.), then, replacement of lost assets and now the third phase of economic recovery. This also provides an opportunity to move from the rhetoric of coordination to actual joint planning and implementation. There have been many complaints about poor coordination in livelihoods, but the record of implementation remains mixed. There are regular livelihood meetings now starting at District and Divisional Secretary level – but attendance is patchy (sometimes by government, sometimes by NGOs) and it amounts largely to information sharing. The challenge is to go further as the next phase begins to actual joint planning and implementation.

This also allows the opportunity to move beyond a narrow focus purely on the tsunami affected households to the District as a whole including other poor households. The targeting on tsunami affected households often required due to funding constraints, inevitably created conflicts with other unaffected but still poor households in the area. With the move from replacing lost assets, to training, micro-credit, entrepreneur development and provision of improved infrastructure there is a need to open them up to all the residents of tsunami affected Districts. This will not only ensure that poverty as a whole is reduced, but limit the tensions and conflicts that have developed as a result of the narrow focus on replacing lost assets in many areas.

4.7 Strengthen Capacity of Local Government, Affected Households, Ngos and Community Based Organizations to Plan, Implement and Monitor Livelihood Recovery Programmes

Divisional secretaries are now starting to take a more active role in livelihood planning and implementation and this is likely to increase as economic recovery gets underway. There is a need to support capacity within divisional secretaries and the elected bodies such as pradeshiya sabhas. Divisional Secretary offices will now be equipped with graduates and livelihood focal points.

There is also a need to support the capacity of community based organizations such as fishery cooperative societies. While these have suffered some political interference and elite capture, their main problem has been lack of activism and basic management skills in book keeping etc.

One particular area of weak capacity by NGOs and CBOs is to undertake cash for work programmes. A number of such programmes are still underway or planned – and with the shift now toward rural infrastructure (e.g., roads, drainage systems etc.) there is concern that the lack of engineering skills will result in low quality investments.

Another area of limited capacity is the ability to manage and monitor physical and financial progress. For some of the smaller Sri Lankan NGOs in particular, the huge amount of funds and activities that they are undertaking are straining their capacity to breaking point. They simply do not currently have the management skills or experience to handle these kinds of demands, but with limited inputs these bottlenecks can be overcome.

4.8 Improve Micro-finance as a Tool for Poverty Reduction

One of the abiding aspects of poverty in Sri Lanka is difficulty in accessing credit. Despite the wide penetration of micro finance, most schemes focus on providing small loans, which help reduce vulnerability, but have mixed success in really lifting people out of poverty.

Many tsunami households were in debt before the tsunami. There is a careful balance being kept between the need to keep the repayment "culture" while being realistic about the need for low interest loans. However, the key constraint seems to be less the interest rate per se, than the inability to quickly and easily access funds when they are required. The private sector chambers have been working with small and medium sized enterprises to help them access government credit schemes such as Susahana.

With some proposing a greater role for government oversight of micro credit with some legislation under discussion, there is an ongoing debate about the value of a more regulated micro credit industry.

5. Recommendations for Livelihood Improvements of Key Groups

Gender: Many women are trapped in relatively lower paid work as compared to men. NGO Programmes may be helping women generate some income based on what are traditionally seen as women's occupations. But there is a need to assist women to break gender stereotypes and create more and new opportunities for women to generate income and improve their income situation vis-à-vis men.

Ethnicity/equality: Two thirds of the tsunami deaths and 60 per cent of the initial displacement occurred in the north and east of the country. Attempts to restore livelihoods in the north and east must overcome not just the impacts of the tsunami, but also the legacy of the conflict. Infrastructure (roads and harbours etc.) is less developed in the north and east, micro credit facilities and the banking sector are more limited and incomes are generally lower. A long term investment package is needed to overcome these structural inequalities.

Those unable to work (injured, sick, carers): In the focus on livelihoods, it must not be forgotten that many remain who are unable to work due to illness or have other responsibilities as carers for others. There is a need to provide social protection measures for these people.

Non - poor groups: In trying to address poverty, it is important to understand what is motivating the more powerful and wealthier groups who dominate some livelihood activities. What is their stake and what livelihood improvements will they accept and what will they resist? There is an important advocacy role to draw attention to some of these issues. For example, the largest beneficiaries from the low paid coir workers are the blue chip companies, who are the largest exporters of coir. While the private sector has been active in the relief phase of livelihood restoration, there is a need to extend this by engaging corporate social responsibility in longer term livelihood recovery.

6. Recommendations for Key Livelihood Sectors

Micro entrepreneurs: Many micro-entrepreneurs making products (e.g., coir, rope, carpets, reed mats, food preparation) or selling (eg small shops) were poor before the tsunami. The challenge is to help them escape poverty. However simply widely redistributing assets (e.g., sewing machines, coir machines) can make things worse than before.⁴ There is an urgent need to shift from a supply side production focus to a demand led market driven approach:

- Identify and develop economic activities that are labour intensive and which cater to demand in the local market and/or can compete in the international market e.g., some promising examples of community based tourism have begun
- Increase value added from current low value activities – for example, by providing assistance and training to improve product design quality
- Organize informal sector to develop producer organizations to negotiate with middlemen or cartels to earn a larger share of the final retail price, and other benefits (e.g., micro credit) and support advocacy efforts. For example, an NGO in Galle has organized street vendors into a federation to lobby authorities

⁴ This section is largely based on the paper presented at the workshop by Kamal Kapadia on "Reviving livelihoods after the tsunami: identifying gaps in existing programmes".

for a permanent place to locate their stalls and they have started a micro-credit scheme; while others have organized coir marketing cooperatives

- Link up with local and international private sector and improve market research. For example, some NGOs are working with garment industry buyers to sell clothes produced by tsunami affected households

Fisheries: The term 'fishing community' has limited value for addressing livelihoods.⁵ Fishing households are highly stratified, both horizontally and vertically. The horizontal stratification refers to the type of fishing craft used, such as 'no craft', 'unmechanised traditional–lagoon', 'unmechanised traditional – marine', 'traditional mechanised – marine', 'mechanised outboard motor (OBM)', 'mechanised one day boats with inboard motors (IBM)' and 'mechanised multi-day boats with IBM'. On the vertical axis there are at least eight categories engaged in fishing including part time fishermen, part time fisherwomen, part time fishworkers, full time fishworkers, full time fishermen, full time fisherwomen, individual boat owners and commercial boat owners. There are also those engaged in local and regional wholesale trading, local retail traders and fish processors. Fishing also demands a number of ancillary support services notably individuals who engage in repair work and provisioning. Finally there are different geographical localities and different cultural groups are engaged in fishing.

With such diversity, the main recommendation is to improve consultation with different fishers about their needs and act on their responses. Some of the current problems (e.g., inappropriate boats, oversupply of boats) have arisen due to a failure to consult fishers themselves. Past prioritization of fisher views indicated that priorities varied widely. However, some common issues stand out:

- *Fishery infrastructure and fishing hardware*
 - Lack of investment for fishing infrastructure (e.g., harbours, ice storage) in the east and north compared to south
 - Improve design of multi-day boats
 - Post harvest losses and lack of proper storage facilities on boats
- *Fishery management*
 - Particular restrictions related to the conflict in the north and east with restrictions on engine power
 - Incursion of foreign vessels are particularly important for the larger boat owners. This is a serious concern as contrary to some popular perceptions, Sri Lanka, along with most tropical coastlines, has a relatively unproductive fishery compared to more temperate regions where greater water mixing increases fish productivity
 - Problems of illegal fishing gear
 - Over-fishing as a priority in the near shore of the south and west (in the north and east this is much less of an issue)

⁵ This section is largely based on papers presented at the workshop by Leslie Joseph, Steve Creech and two fishing representatives from Ampara District.

- *Other institutional short-comings*
 - Institutional weaknesses of fishery cooperative societies
 - Improve labour conditions for fish workers
 - Involve other more powerful stakeholders in fishery management (e.g., fish buyers)
 - More support by NGOs for Ministry of Fisheries' attempts at regulating and managing the fishery

- *Access to non-fishing opportunities*
 - Lack of education and vocational training opportunities particularly for the youth

The Ministry of Fisheries has developed a strategic plan for the industry that will address many of these issues. But as so often there is a need for funds, and competent political and administrative capacity and NGO support to ensure that plans are properly implemented.

1. Reviving Livelihoods After the Tsunami: Identifying Gaps in Existing Programmes

Kamal Kapadia

I. Introduction

This paper presents an analysis of efforts to revive livelihoods after the tsunami in Sri Lanka. Using a combination of findings from a village case study in Galle, analysis of existing statistical data, a study of NGO projects, and a literature-based study of the structure and dynamics of the rural economy in Sri Lanka, the paper examines the extent to which existing NGO Programmes to revive livelihoods actually meet the needs of the poor along the coast.

The study analyzes NGO Programmes on the basis of two goals that all organizations agree to be important: “building back better” (the subject of the current workshop) and the need to ensure some form of equity in development – within tsunami-affected communities, and between tsunami-affected people and other poor and marginalized in the country. It should be said at the outset that NGO Programmes are making considerable progress in helping revive livelihoods of tsunami-affected people; a recent report written jointly by the Steering Committee made up of representatives of the government (Ministry of Finance, National Planning Department and TAFREN), donor community (ADB, IFRC and UN) and civil society (CHA) confirms this: approximately two-thirds of people have regained some source of income (Steering Committee, 2005). However, preliminary findings suggest that vis-à-vis the goals of building back better, livelihood recovery Programmes could do more to address problems specific to the informal sector, youth, gender, and to cater to multiple dimensions of equity.

All findings are preliminary, and represent research work in progress. There are many caveats: first, the root causes of many of these problems discussed are a function of the structure and dynamics of the rural economy, politics and culture in Sri Lanka. While some of these structural and political forces at play are referred to, a detailed discussion of how and why these factors developed and shaped the local rural economy is beyond the scope of this presentation, and is the subject of a subsequent paper. The main goal of this paper is to present village-level livelihoods-related needs that NGOs can address through innovative Programme design.

Second, the village community studied and upon which many conclusions are based is outside the buffer zone in the Southern region, and has a local economy dominated by small business. It is not a fishing village, nor is there any significant agriculture. The advantage of studying a community outside the buffer zone is that rehabilitation and reconstruction is already underway, and one can study the community in the very process of recovery (which is impossible to do in communities still living in camps inside the buffer zone). The limitations, of course, are that some of the issues within the buffer zone may be different; as would be issues within fishing and agricultural communities, and in the north-east. However, there is a trend towards diversification of incomes sources in rural areas in most of the developing world (Ellis, 2000), and in this context, small business development is playing an increasingly important role. Understanding the dynamics of and issues surrounding small business development therefore has ramifications not only for tsunami rehabilitation, but for rural economic development Programmes in general.

Third, while the paper presents statistical data, based on a survey conducted in the village of Muhudupitiya¹ in Galle district, this data in and of itself cannot be considered representative of anything except the particular community studied. Where relevant, it has placed the numbers from the village study in the context of statistics for Sri Lanka more generally, or used the numbers as part of theoretical and/or qualitative arguments, where the qualitative nature of the argument is far more relevant than the actual numbers themselves.

Finally, the overview and analysis of NGO projects is not comprehensive, as that research is still in progress. To date the author has researched the activities of 24 different organizations. Even amongst these, there has not been sufficient time to conduct a detailed study of all the documents that NGOs have made available.

A word on the methods: While arguments presented in this paper are based largely on the results of a survey, this survey was "embedded" in an ethnographic study of village life in Muhudupitiya after the tsunami. The author lived in the community that was studied for a period of one month and has, over the two months subsequent to her stay there, returned every second week for a few days at a time to conduct more research. In addition to the survey (based on a random sample of households in the village), the study conducted focus group discussions, had many interviews and informal "chats" with various community members, attended village society meetings, and immersed into village life as best one could. Since the author's Sinhala skills are basic, she was accompanied by a female research assistant the entire time.

This paper is structured as follows: the next section of this paper presents a general overview of the types of income-recovery Programmes being planned and/or implemented by NGOs in tsunami-affected regions. The third section provides some background information on Muhudupitiya. The fourth section is a discussion of livelihood-related needs that NGO Programmes could better address; an analysis of these needs and their underlying causes is based on the study of the village community in Galle, but where possible, presented in a broader context of economic development needs and challenges in rural Sri Lanka. The fifth section provides recommendations to NGOs on ways to meet these needs, using examples wherever possible of innovative projects and Programmes that already exist. The last section consists of some concluding thoughts.

2. Overview of NGO Programmes to Revive Livelihoods after the Tsunami

There are a huge variety of organizations working on reviving livelihoods after the tsunami. According to a recent report, at least eight ministries and over 100 international and national organizations are involved in livelihood restoration activities. Over Rs.12 billion (US\$ 126 million) has been committed to livelihood recovery activities (Steering Committee, 2005). As diverse as the organizations, are the range of livelihoods-recovery Programmes they offer. At the same time, they share some general features. Here, these programs are summarized into broad categories:

- **Cash-for-work:** These are typically short-term employment Programmes, where people are paid a daily wage for cleaning and re-construction work.
- **Replacement of livelihoods-related assets destroyed or damaged by the tsunami:** Here people who lost some physical assets essential for their livelihood (e.g., fishing boat, sewing machine, coir machine, seeds

¹ Muhudupitiya is an assumed name, in order to protect the identities of the participants in this study, who shared considerable confidential information on subjects such as personal income and debt, social problems, their views on NGOs, and village politics.

and fertilizer, tools, etc.) are provided with a replacement. Sometimes, people are provided with equipment that is more modern, or in some way better than what was lost. Sometimes, they are also provided with additional equipment (which they did not own before the tsunami) but which helps improve their business. e.g., in Muhudupitiya, an owner of a small shop/restaurant received a refrigerator, which he did not have before the tsunami.

- **Cash grants:** These comprise of cash grants to people to purchase replacements for equipment lost in the tsunami.
- **Training:** There are a huge variety of training Programmes on offer. They include management, accounts and business development training, a wide range of vocational and skills development Programmes, quality control and marketing training.
- **Micro-credit:** These take the form of low interest loans to tsunami-affected people wishing to start, or restart some enterprise.
- **Infrastructure development:** Some NGOs and UN agencies are (re)building infrastructure necessary for people's livelihoods, e.g., reconstructing fishing harbours, building marketplaces and shops, building roads.
- **Market facilitation:** This involves helping people manufacturing products connect with appropriate markets, e.g., connecting producers of handicrafts with tourist shops in large hotels, or with retailers in the big cities and overseas.
- **Organizational strengthening:** These Programmes target production organizations like cooperatives and unions, as well as small NGOs, microfinance agencies and government departments and agencies. They strengthen and build capacity in existing institutions like a fisheries cooperative or street hawkers union, and/or encourage and enable the formation of new production cooperatives and societies. They sometimes also provide support in the form of office equipment and management/capacity training to NGOs, microfinance agencies and government.
- **Advocacy:** There is very little advocacy work on livelihoods as such, but a lot of advocacy work on issues that affect livelihoods, such as the buffer zone issue.

Of these various areas of work, the majority of NGOs interviewed are focused on replacement of livelihoods-related assets, training, and micro-credit.² To a lesser extent (in terms of numbers of organizations working in a particular area), there is activity in the areas of market facilitation, infrastructure development and organizational strengthening, and to an even lesser extent in the area of advocacy. Cash-for-work Programmes abound, but these are largely seen as short-term Programmes; while acknowledging their importance and contribution, the study does not cover these or infrastructure development Programmes in the analysis. Only one NGO visited provides direct cash grants – such Programmes are conducted mainly by the government.

3. Village Background Information

- The village of Muhudupitiya in Galle district is comprised of 616 families. It covers 2 Grama Niladari Divisions.
- The tsunami killed 36 people in this village, and destroyed 168 houses completely, while 27 were damaged and unusable, and 197 were damaged, but can be used to a greater or lesser extent (Department of Census

² As this research is a work in progress, this claim is based on an overview of the interview notes; there has not been time to review in detail and quantify all the various sub-programmes of NGOs where research was conducted.

and Statistics, 2005a). The vast majority of homes are outside the buffer zone, which has allowed for reconstruction and rehabilitation to proceed.

- In the survey of randomly selected households, the study covered 60 households, and obtained data on 97 families and 161 people who were employed in some capacity or the other before the tsunami.
- 55.3 per cent of respondents were women, 44.7 per cent men.
- Education levels vary greatly, but reflect the trend that increasing numbers of people are completing secondary school (see Table 1.1). In the sample as a whole, 28.7 per cent of the income-earning population has completed A-levels, and 22.4 per cent has completed their O-levels (but not their A-levels).

Table 1.1
Education Levels by Age Group

Left school before...	% of income-earners in sample below 25 years of age	% of income-earners in sample above 25 years of age
Completing O-levels	28%	53%
Completing Grade 5 (or lower)	5%	26%

- In terms of pre-tsunami occupations, the majority of the population is part of what is commonly known as the informal sector. There are various definitions of what comprises the informal sector. The Fifteenth International Conference of Labour Statisticians (ICLS) in 1993 defines the informal sector as consisting of production units that “typically operate at a low level of organization, with little or no division between labour and capital... and on a small scale.... Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees.” (International Labour Organization, 2005). The informal sector is characterized by typically low incomes, sporadic earnings, little or no social security and pensions, and poor, if any, political representation. 75 per cent of the workforce in Muhudupitiya is in this sector (the remaining have jobs in government or the formal private sector). This sector is further categorized by employment status as follows:
 - **Self-employed:** This is the largest group, comprising 63 per cent of the informal sector workforce. They consist of people who produce or trade in some good or product, typically from their home, and sell this product on a per-unit basis (this is to say, they are paid for the product, and not a wage for their labour). They do not employ other people. This group includes coir workers, tailors, carpenters who produce a good (e.g., furniture items) for sale, retail shop owners who do not employ others, etc.

- **Employees/labour:** This group comprises 23 per cent of the informal sector workforce. They are paid a daily wage for their labour, and rarely have work all days of the week. They include general labour (which moves from one industry to another looking for work), masons, carpenters and electricians who work on construction sites, fishermen who work on others' boats, etc.
- **Employers:** This group comprises 14 per cent of the informal sector workforce. They run an industry or business which employs other people. This group includes lime business owners, exercise book manufacturers, retail shop and garage owners which hire other people, etc.
- In terms of specific occupations, there were 48 different jobs amongst the 60 households surveyed. The most common amongst these are: making or trading in rope (29 per cent of the population surveyed is involved in this activity), all activity associated with the manufacture and selling of lime (22 per cent of the population surveyed works in the lime industry - this includes digging for coral, transporting coral, working at the kiln, transporting and selling lime), tailoring, and making exercise books.
- The lime industry – which involves the slow “cooking” of coral in large kilns to make lime used in the construction industry – was a major industry along most of the Galle district coast line, and also employed many people in Matara and Hambantota. The tsunami has effectively destroyed this industry. Not only were many kilns destroyed or damaged, but the government has begun to enforce a ban on mining (at sea) or digging (on land) for coral, which has made it very difficult for the industry to source its basic raw material. In Muhudupitiya, about 20 lime kilns are now lying unused.
- 32 per cent of the households surveyed have a per capita income below Rs. 1,800/month. 83 per cent of these low-income households have a primary income earner who is in the informal sector self-employed or employee/labour category. Rs. 1,800/capita/month is the current official poverty line for Sri Lanka³, but is measured in terms of per capita consumption expenditure, as opposed to income (which is what the data is based on). It would therefore not be correct to say these households are living below the poverty line. At the same time it gives some indication of the poverty situation in the village. The Headcount Index for poverty in Sri Lanka, for reference, is 23per cent (ie., 23per cent of the population lives below the poverty line) (Department of Census and Statistics, 2005b)
- 55 per cent of households surveyed were in debt before the tsunami. The single largest provider of loans is the private moneylender. See Table 1.2 for a breakdown of debt by source. Of the total sample in debt (before the tsunami), 31 per cent have taken loans for improving or starting a business. All the other people in debt are using the loan for some form of consumption expense – to buy land, to build or repair a house, for medical emergencies, for daily consumption needs, or for miscellaneous expenses like purchasing a music system, or for a daughter's coming-of-age party.

³ According to the Department of Census and Statistics (2005b), the estimated poverty line for the year 2002 (which is the latest year for which published data is available) is Rs. 1,423. However, in a recent presentation at a CHA Coordination Meeting on November 21, 2005, Dr. Nanayakara of the Department of Census and Statistics reported the latest current poverty line, adjusted for inflation and other factors, to be Rs. 1,800.

Table 1.2
Breakdown of Debt by Source

Source of Loan	No. of Households	% of Households in Debt
Non-governmental organization	6	18.2
Samurdhi	6	18.2
Other government bank	7	21.2
Private person - money lender	9	27.3
Private person – relative	2	6.1
Private bank	3	9.1
Total in debt	33	100
Not in debt	27	
Total households	60	

4. Analysis of Livelihoods-Related Needs

This section is organized as follows: Livelihoods-related issues related to the needs of the informal sector, youth and gender are first discussed and then briefly the topic of equity. The key thing to point out right at the start is that these are by no means exclusive categories; rather, the needs are more often than not cross-cutting, e.g., for a young woman employed in the informal sector, the needs pertaining to the informal sector, youth and gender are all relevant to improving her livelihood situation. The last topic – multiple dimensions of equity – is an overarching issue that relates directly to the need for some mechanisms which allow NGOs to provide for equitable development.

Within each topic area, the section discusses the nature of the problems and needs, and demonstrate how people in these sectors may be falling through gaps in livelihoods recovery Programmes. In the next section the study provides recommendations on how Programmes can be re-focused to meet these needs, drawing on examples of innovative Programmes that already exist, wherever possible.

As mentioned at the start of this paper, several of the issues discussed here have root causes that have to do with policy, political and economic structures prevalent in Sri Lanka; however, at this stage of the research, and for the purpose of this (already too long) paper, these subjects are not discussed. Nevertheless, many of the recommendations suggest ways that such structures can be changed "from below", with the help of NGOs.

4.1 The Informal Sector

Both the village case study and data from the Central Bank reveal that the majority of people in coastal villages are in the informal sector. In Muhudupitiya, 75 per cent of workforce is in this category. According to the Central Bank, 76.7 per cent to 79.7 per cent of the workforce in tsunami-affected provinces is in the "informal private sector."⁴ In Sri Lanka as a whole, 75.5 per cent of the workforce is in the "informal private sector."

⁴ This number was calculated from the Consumer Finances and Socio-Economic Survey of the Central Bank, and presented by Ms. Bandaranaike of the Central Bank at a CHA Livelihoods Forum on November 21, 2005.

(Central Bank of Sri Lanka, 2005) Globally, this sector is a major contributor to employment in much of the developing world (International Labour Organization, 2000; Levenson and Maloney, 1988).

These people, typically, are at the bottom of the heap amongst income-earners. Table 3 shows the break-down of monthly income for the self-employed, employees/labour and employers in Muhudupitiya. Read another way, the numbers show that 76 per cent of the informal sector self-employed group, and 74 per cent of the employees/labour earn individual incomes below Rs. 5,000 a month. Amongst this latter group, labour which used to work in the lime industry used to earn as little as Rs. 150 a day; these people also rarely have work for more than 3-4 days of the week. People in this sector also have little social security or pension (with the exception of Samurdhi), are not members of unions and in general are the least-protected and most vulnerable sector of the rural economy.

Table 1.3
Breakdown of Individual Income by Category in the Informal Sector

Monthly income (individuals)	Self-employed	Employees/ Labour	Employers	Total
Up to SLRs. 5,000	46%	18%	0%	64%
SLRs. 5,001- 8,000	7%	12%	3%	22%
Above SLRs. 8,000	3%	0%	11%	14%
Total	56%	30%	14%	

“Building back better” may not be a reality for some people in the low-income informal self-employed and employee/labour sectors for the following reasons:

Most people in the employees/labour category have no assets to replace: Asset replacement Programmes therefore do not improve their lot.

For those returning to their pre-tsunami work, the work place environment and income for people in the employee/labour category remains largely unchanged.

There are many workplaces which are unsafe or unhygienic for workers – in Muhudupitiya, the lime industry is a prime example. Other examples include timber sawing mills, carpentry workshops, garages, large-scale kitchens, abattoirs. While supporting the restoration of these workplaces benefits the employer, it restores the employee or labourer to the same workplace situation he or she had before the tsunami. It also restores him or her to the same income. In Muhudupitiya, a fireworks manufacturing workshop employed about ten people before the tsunami. It was fully destroyed in the tsunami. One NGO provided the owner with a large temporary wooden shelter, which he has effectively converted into a new factory. He took a loan for the materials and equipment, and now employs about four people to make fireworks in a highly hazardous environment. He recognizes the need to build a permanent structure, but is unwilling to take a large loan until his business has revived sufficiently, and he has paid off his current loan. In this situation, both the employees/labour and the employer are working in a more dangerous environment as compared to before the tsunami.

Previous debt is a hurdle:

In Muhudupitiya, 49 per cent of households with prior debt where the primary income earner is self-employed or employee/labour are not interested in taking a new loan. Microfinance Programmes are therefore not likely to benefit them. The flip side of this is that 51 per cent of those in debt wish to take a new loan (or have already applied for one), which should be worrying to NGOs and microfinance agencies, as it is likely that some of the new loans will be used to pay off existing debt (especially debt to moneylenders), rather than start some enterprise.

Requirements of some Programmes can be a hurdle:

- Business plan preparation may discourage those with a low education from participating: Many microfinance and other livelihoods recovery programmes require people to prepare business plans (with assistance from the NGO). While nobody admitted so much directly in the course of the research, it became clear that many labour-class people with low levels of education have some difficulty in reading and writing easily. In Muhudupitiya, 67 per cent of the informal sector self-employed and employees/labour have not completed O-levels; 31 per cent have less than a grade 5 education.
- In the course of the research, people's difficulties with reading and writing became apparent because one question on survey form involved the respondent ranking a set of options in order of his/her priority. It was quickly noticed that many people with low levels of education had a difficult time reading – in Sinhala – and preferred if the translator read out and marked the options for them. People with low levels of education and poor reading/writing skills are reluctant to participate in exercises which involve the production of business plans, especially when surrounded by better-educated and skilled participants at livelihoods and entrepreneur training Programmes. One informal sector labourer said, *"those Programmes are not for people like us. Those are for educated people only."* He was referring to an entrepreneur development and loan Programme being conducted by an NGO for tsunami-affected people.
- Grama Niladari and other government officers' approvals can also be a deterrent: Some loan Programmes also deter poor people from applying because they require applicants to obtain signatures, or character certificates from one or more government servants in the village (most often, the Grama Niladari, or GN). This can prove to be very difficult for poorer people. In the GN's defence, one can understand that from his/her perspective, he/she is unwilling to sign off for somebody who may not have the capacity to repay (in the view of the GN, at least). Second, while it may be assumed that the GN is local and knows all the people in his/her community, this is not always the case. In the community where the research was conducted (which spans 2 GN divisions), both GNs only arrived there after the tsunami. Local NGO employees who have been working in these communities long before the tsunami seem to have a much better knowledge of the local community than the new GNs. This may be an isolated case, or may be more common than one might think. At the least, it is an issue worth exploring further, as it might also deter the GN from certifying loans for people he/she barely knows.
- Some GNs are also less honest than others, and in Muhudupitiya, it is alleged that one of the two GNs demands a "fee" for his signature, which is yet another deterrent to a poor person trying to apply for a loan.

These issues of previous debt and Programme requirements may help explain the findings of the Steering Committee report that the SME/microfinance sector has failed to reach many entrepreneurs, and have scarcely reached any new customers (Steering Committee, 2005).

Lack of sufficient attention to developing market linkages make it difficult to “build back better”:

Barring a few exceptions, NGO Programmes for economic recovery after the tsunami cater largely to the production-side of small enterprise development, and are weak on market assessment and development aspect. That is to say, many NGOs are handing out equipment like sewing machines, rope-making machines, etc. but have a poor understanding of the nature of the market for these products. This can lead to the following outcomes:

- For the self-employed, asset replacement and new asset provision sometimes returns them to the same or worse income position as compared to before the tsunami:
- Many of the informal sector small enterprises that NGOs are supporting currently have a restricted local market. That is to say, for a variety of reasons, a woman sewing clothes or making string hoppers at home, has a market limited to the local community. Sometimes the reason for this is quality and style – without adequate training and marketing capacity, clothes sewn by women at home in their village are not likely to compete with the fashionable, and cheap clothes coming out of the garment factories. The key issue here is that given that the majority of people in a given village are poor, the local market for many products is likely to be very small, which may keep the entrepreneur in the same low-income situation he or she was in before the tsunami.
- The other problematic dimension of small enterprise development Programmes is that after the tsunami, the number of women with sewing machines, coir machines or string hopper makers, or the number of men with carpentry tools or small shops has dramatically increased. In Muhudupitiya, at least 2 new grocery shops have opened up after the tsunami, although incomes have ostensibly fallen since the tsunami. Virtually every single house has a coir machine; several have more than one. While the author was in the village, he heard of at least three different local events for distributing sewing machines to women. Such activity affects not only the local market – a function of increased supply in a restricted demand environment, as in the case of the grocery shops – but also the bigger market: the price of rope is reportedly falling due to a glut of supply.
- Without assured market access, people can sometimes spend more than they earn trying to peddle their wares. A lady in Muhudupitiya who makes sweets has no regular buyer. She hires a three-wheeler, and spends as much time as it takes visiting shops in a nearby town, trying to convince them to buy her sweets. Depending on how much time and distance she has to cover to sell her sweets, she can sometimes end up paying her entire profit to the 3-wheeler driver. Further, if now, because of tsunami livelihoods recovery Programmes, there are 10 times as many women in the villages near this town making and selling sweets in town, it is going to be even more difficult for each of these women to find their market, as the demand for sweets in town is not likely to suddenly increase in proportion to the supply.
- Designs and quality do not always meet demands of market: Everybody – including people living in villages - likes nice things, and improving standards and quality of village-made products is an important need. In Muhudupitiya, the only woman who makes a decent income – in the range of Rs. 5000 per month – from sewing clothes is from a wealthy family (all other seamstresses reported incomes from sewing in the range of Rs. 500-1,500 a month). She received training in making bridal wear from a very expensive private training institute in a large city, and so is in hot demand for her services in Muhudupitiya and neighboring villages. Unless other women receive training in design and sewing that match the standard of this bridal wear designer, it is unlikely they will be able to compete with her.

- Some markets are controlled by cartels or middlemen who make the largest profit: The coir industry is a good example of this; in Muhudupitiya, the contrast between the income of a middleman collecting, transporting and selling rope, and that of a maker of rope is striking. The author befriended a "rope middleman" said him he makes about Rs. 25,000 a month in profit; compare this to the Rs. 500-2000/month on average that women reported to make from converting coir to rope (the maximum any woman reported to earn from making rope was Rs. 5,000).
- Lack of market information increases risks for new entrepreneurs: Providing assistance in linking to markets is very important for people starting out in new professions as they are entirely new to the entire sector. Even if they are not new to the sector, awareness about markets can often be low in some sectors of self-employment. In Muhudupitiya, very few women who made rope could tell where the rope ended up (the exceptions were those few who were members of a coir cooperative – more on this in section 5). They only knew the local businessman who came to their house to purchase the rope, or the local gunny bag-making factory in the neighboring village where they took the rope to sell. A rope tradesman said that most of the rope and rope bags were eventually purchased by large established companies, but this information was unknown to the women making the rope.

Many NGOs recognize these problems, although a representative from one NGO focused exclusively on livelihoods Programmes indicated that they did not do much market linkage work, as that was "too much hand-holding." In general though, several efforts are underway to try and improve market linkages and quality, these are discussed in section 5. Increasing the emphasis on market linkages and quality will also help reduce problems caused by imbalanced supply and demand situations.

In addition to working on market linkages, helping the informal sector self-employed and employees/labour out of poverty requires a strategy that addresses issues like minimum wage, political representation of their interests, worker safety, security and pension. Such issues are well articulated in the formal labour sector, like the garments industry, and amongst government employees, but this is not the case in the informal sector. The fact that almost 80 per cent of the working population in coastal provinces of Sri Lanka is in the "informal private sector" is a function of the structure of the Sri Lankan economy, and how the economy has evolved, especially after structural adjustment policies were introduced in the 1980s. However, this does not mean that there is nothing NGOs can do to change things; rather, changing structures "from below" is precisely what most NGOs are trying to do.

4.2 Youth Issues

Youth unemployment and underemployment in Sri Lanka is a pressing social, economic and political issue. Table 1.4 demonstrates the high underemployment and unemployment rates amongst youth in Sri Lanka.

The problem of unemployment is not unique to Sri Lanka; a recent study by the Asian Development Bank states that jobless growth continues to plague Asian countries (Asian Development Bank, 2005). This is true even for countries with high rates of economic growth. The study says that lack of productive work and less than fair wages are the key reasons why million of Asians continue to live in poverty.

Table 1.4
Underemployment and Unemployment Rates for Youth

Underemployment/ unemployment as % of Labour force	Age Group		
	15-18 years	19-24 years	25-34 years
Underemployment rate	18%	15%	19%
Unemployment rate	36%	39%	9%

Source: Central Bank, 2005.

In Sri Lanka this problem is compounded by the fact that most young people have relatively high education levels when compared to their parents. Their relatively high level of education, combined with exposure to the tourist economy along the coast, makes them have aspirations which are not dissimilar from what young people in the big cities like Colombo may have.

In the course of focus group discussions and individual dialogues with young people in Muhudupitiya, one could not find one young person (below 30 years) who said they wished to do the same work as their parents. Unsurprisingly, this is especially true for youth whose parents are daily-paid labour; but surprisingly, it is also true for youth whose parents have a small business. One of the reasons for this could be social status – young people universally agreed that one of the main reasons for having a good job (besides having an income) was to have a good social status in the community. One boy whose father operates a small shop said that “working with my father is boring and reduces my image”. Out of a total of 26 people who participated in focus group discussions, only two said they were interested in any form of self-employment. The majority are aspiring to jobs in private companies, the tourist industry, or overseas. Programmes focused largely on self-employment therefore do not adequately address the aspirations and needs of youth.

The employment problem in Sri Lanka is, of course, not easy to fix. The issue, once again, is largely a structural one. Historically, the country has seen little industrial development, and issues like the civil war and the nature of investment flowing into the country have resulted in low levels of job creation. At the same time, a combination of poor government policies, market liberalization and land fragmentation is making agriculture an unattractive option for young people. According to a Central Bank report (2005), only 1.4 per cent of the unemployed in Sri Lanka want a job in agriculture or fisheries.

There are efforts to help young people find employment, however many are focused on the demand-side (targeting job seekers), and tend to be weaker on the supply-side (i.e., the creation of what the ILO calls “decent work” opportunities). One example is the development of Jobsnet, an ILO supported project being implemented by the Ministry of Employment and Labour. Jobsnet is an online job database, where potential employers and employees are matched up through an automatic process. However projects such as Jobsnet and other job banks and databases are superficial treatments of a much deeper problem: this is amply demonstrated by the Jobsnet own website, which states that their database contains profiles of 119,456 jobs seekers and had only 4,387 open jobs listed (Jobsnet, 2005). This essentially means that at best, about 4 per cent of the job seekers listed will find jobs through Jobsnet.

Creating jobs requires some investment. Attracting investment calls for the right policies and enabling environment, which are largely functions of government. However, this does not mean that there is nothing the NGO community can do. Well-designed local efforts can create the stimulus for more investment into sectors of economic activity that generate employment; I provide some examples of such activities currently underway in section 5.

4.3 Gender Issues

Almost all NGOs with livelihood Programmes claim they are paying explicit attention to gender issues; some are focused exclusively on women's livelihood needs. At the heart of this issue however is how we understand the very concept of gender. The vast majority of NGO Programmes seem to interpret gender and livelihoods as helping women to continue to do what are traditionally seen as "women's activities".

Unfortunately, many of these activities ensure that women are trapped in relatively lower income work as compared to men. In Muhudupitya, 69 per cent of all working women have a monthly income less than Rs. 5,000, as compared to only 33 per cent of working men having monthly incomes less than Rs. 5,000. At the top end, 27 per cent of working men have monthly incomes above Rs. 8,000, compared to 11 per cent of working women (the majority of who work as housemaids overseas). This is hardly surprising; for Sri Lanka as a whole, the ratio of mean income for men/women is 1.6 (Central Bank of Sri Lanka, 2005).

The most common income-generating activity carried out by women in this village is making rope from coir (63 per cent of working women surveyed are involved in this activity). The income from this activity ranges typically from Rs. 500/month to Rs. 2000/month, and involves repetitive, manual labour for many hours of the day. There is also little hope of ever increasing ones income from this activity; there are only so many hours of the day one can devote to the manual making of rope. Further, while men can expand this business by becoming middle-men who transport the rope, driving a vehicle is exclusively a male-dominated activity, which means this option is not open to women. As already discussed in a prior section, the contrast between the incomes of a middleman collecting, transporting and selling rope, and that of a maker of rope is striking.

In terms of employment opportunities outside the home, women have very restricted options. Most major industries along the coast are male-dominated (construction, tourism, fishing); the sole exception being the garments industry. Working in a garments factory is not the first choice for women; there is considerable social stigma associated with sending ones girls to the free-trade zones (for a good discussion on gender and social dimensions of the garments industry see Lynch, 2002). The tourist industry is also not considered an appropriate place for young girls to work; tourism is associated with alcohol, drugs, sex and late nights. When the author asked young people about the prospects for girls to work in tourism, boys and girls universally agreed that it was inappropriate for self-respecting young women to work in this industry.

The most lucrative source of employment for women is as housemaids overseas, specifically in the Middle East. Amongst the households surveyed, one in six had female members who currently, or at some point in the past had worked as housemaids overseas. While this job can provide handsome remuneration, there are many social problems associated with women leaving their families, not to mention problems associated with fraudulent agents and abuse at the hands of employers overseas (for an excellent overview of problems faced by Sri Lankan housemaids overseas, see the recent New York Times article by Amy Walden, 2005) .

This brings us back to our understandings about gender. NGO Programmes may be helping women generate some income based on what are traditionally seen as women's activities, but on the whole, the majority does

not seem to help a) break gender stereotypes and create more and new opportunities for women to generate income and b) improve their income situation vis-à-vis men. These are the two main livelihoods-related needs for women, which are currently not being adequately addressed. If our concept of gender encompasses women's empowerment, and a notion of changing their current status in society vis-à-vis men, achieving at least one of these two goals should be a priority.

As always there are exceptions to the rule; some NGO Programmes are making excellent efforts into improving gender disparities – see section 5 for some examples.

4.4 Multiple Dimensions of Equity

This issue is an overarching one that relates directly to the question of how equitable livelihoods recovery Programmes really are, since “choosing” some people to be beneficiaries effectively means not choosing others.

As already mentioned in the discussion on the informal sector, Programmes that are focused on replacing equipment or providing loans do not necessarily benefit people in the employee/labour informal sector. In Muhudupitiya, the majority of the informal sector unskilled labour worked in the lime industry. Since the tsunami, the government ban on mining coral is being enforced. The industry has effectively shut down as a result. While owners of the lime kilns have access to Programmes which help them re-tool, re-train and take loans to start new businesses, the labour does not. For example, one man whom the author met was hired as a driver to transport coral in somebody else's Landmaster before the tsunami. Since his own home was not affected by the tsunami, and he did not own the Landmaster (which was lost in the tsunami), he is now effectively unemployed. Often, the new industry that the former lime kiln owner starts does not employ as many people – for example, many lime kiln owners are taking to the production of exercise books – on average, businessmen producing exercise books employ only two people, whereas a lime kiln owner employed four.

The equity dimension plays out in many other ways: in Muhudupitiya, there are many families whose homes or livelihoods were not affected by the tsunami, but they were poor before the tsunami, and continue to be poor. They bear a lot of resentment towards NGOs that seem to ostensibly only help the better-off (i.e., those with tools and/or businesses before the tsunami) in their villages.

There are also questions regarding equity in opportunities available to gender, which are already discussed above.

Finally, there are questions about focusing so much money and effort on the coast, when other districts like Moneragala and Badulla are poorer. NGOs acknowledge this problem, and a few are expanding the scope of their projects to include the entire tsunami-affected district (rather than only coastal villages). But most NGOs admit that the funds have come earmarked for tsunami rehabilitation, and have to be used for such.

Resolving the beneficiary selection and equity problems are not easy, one could recommend a few possible avenues that may help alleviate these problems.

5. Recommendations

As all the issues presented in the previous section are cross-cutting – that is to say, changing the gender balance can also have positive ramifications for the poor in the informal sector, or the right kind of entrepreneur development can help create jobs for youth – the study does not categorize recommendations according to specific issue areas. Rather, they are listed as action items, and wherever possible examples are drawn on of existing Programmes and projects to illustrate the recommendation.

Identify and Develop Economic Activities that are Job-Intensive, and Which Cater to Some Demand in the Local Market, and/or Can Compete in the International Market While Simultaneously Creating Decent Work for People

One excellent example of this is a "community tourism" initiative being developed by a large local NGO. Tourism is one of the fastest growing industries in the world, and many tourists are looking for "alternative" holidays. Sri Lanka is an excellent tourist destination, with outstanding natural beauty, and a well-preserved architectural and cultural heritage. The idea behind community tourism is that rural communities develop facilities to cater to tourists who are looking for something different, or to the thousands of people who like to volunteer in developing countries. Such an initiative could also help solve the equity problem if community tourism initiatives are simultaneously developed in coastal and inland villages (close to sites of natural or cultural beauty). It could also help move tourism from being a big business, environmentally-unfriendly activity, to a more socially and environmentally-sensitive industry, with the benefits going to communities rather than large corporations.

To develop the community tourism initiative would call for training Programmes for village people to enable them to cater to tourists, as well as English and other language training courses so people can communicate.

Transform Existing Low-income Work Opportunities into Activities that Add Value and Help Improve Incomes

Many of the livelihood opportunities along the coast involve the production and/or retail of a natural product, with little if any value-added processing. Examples of this include catching and selling fish, making rope, making lime from coral, sawing timber, growing and/or selling paddy, fruits, vegetables. Such activities earn little for the primary producer or seller, and profits are typically captured by the middleman, or by the entrepreneur who adds value to the natural product in some way, by processing and/or packaging it.

If the primary producers and retailers could be trained to add some value to the natural product, this could improve their income situation. Such activities could include production of processed foods like jams, canning and/or processing of fish, manufacture of mats, bags and other products from coir, production of yoghurt, etc.

These types of activities could be encouraged on an individual basis, or as a group industry activity. In the case of the former, women trained to make finished products from coir could sell them on a piece basis, for example. The activity could also be organized as a small industry involving several people; women could take turns converting coir to rope, and then producing the handicraft.

One NGO has an innovative project where they are training people in a fishing community to produce "fish aembultiyal," a local fish preserve, spiced and packaged into earthen pots. The NGO is currently exploring the possibility of selling this product in supermarkets in the cities, under a special "produced by tsunami-affected people" brand.

Such projects could also promote equity if they “link” an agricultural producing region inland with a processing unit on the coast.

Improve Workplace Safety and Environment

NGOs can provide assistance to people running small industries which employ other people to improve the workplace environment, and provide them with efficient/better equipment, in exchange for the employer paying better wages, and maintaining certain safety and hygiene standards. Workers and employers alike could be trained on safety, as well as worker and employer rights and duties. Most NGOs involved in rebuilding public infrastructure are “building back better”; for example, one NGO is building a fish market with various modern amenities. The same kind of improvements should be extended to private workplaces, and combined with education campaigns.

Organize Informal Sector and Support Advocacy Efforts

Organizing informal sector workers into societies, unions or cooperatives, and training them on worker rights and advocacy could help improve their situation, and make them more visible in local and national politics and policy-making. Such groups could conduct advocacy for better wages, job security and pensions. One NGO in Galle has organized street vendors in Galle into a federation. Through the federation, the members have been able to lobby the local authorities for a permanent place to locate their stalls; they have also started a savings account. The same NGO is now planning to start a labour association, a carpentry association, a handicrafts association and a masons association. On a larger scale, the ILO is in the process of launching a Programme to mobilize trade unions and organize informal sector workers; this Programme however is in its very initial stages. Such activities could also help solve the equity problem if they help bring informal workers from inland and coastal areas together. However, even the ILO acknowledges difficulties in carrying out tasks such as designing effective social protection policies for workers in the informal economy (ILO, 2000).

On the advocacy side, NGOs could take up issues like workplace safety, basic rights, minimum wage, and social security for the informal sector. International groups could also conduct advocacy in the west for corporate social responsibility in companies purchasing goods that are produced by the informal sector.

Adopt “Market Pull” Approaches Instead of “Product Push” Approaches

Even those NGOs which are focused on helping develop market linkages adopt what one can call a “product push” approach. That is, they first support people in producing a good or service (often one that the people have some prior experience in producing), and then look for buyers and markets. e.g., some NGOs help people make handicrafts and then organize a trade fair, hoping the goods will sell. While this is one approach to marketing, it is not the only one. An alternative approach is to start with the market. i.e., first conduct research in places like supermarkets and other retail outlets and wholesalers in Sri Lanka and overseas, and find out exactly what they are looking for and are willing to purchase. Then work backwards and help rural people produce the goods.

Conduct Thorough Market Research for Any and All Livelihood Sectors Being Supported, and Ensure Programme Beneficiaries Can Access and Cater to the Demands of that Market

NGOs need to gain a thorough understanding of the size and scope of the market for any good or service their project beneficiaries are producing. This includes understanding quality and design requirements of the market. One NGO has brought in quality and design experts from a garments factory to advise and train women seamstresses. The garments factory has expressed some interest in purchasing the clothes produced by these

women. A professional American woman whom the author met is working through a local NGO to identify producers of fine lace. They produce high quality lingerie, which is exported through channels established by this lady to high-end boutiques in the U.S.

Support the Development of Marketing Cooperatives

A few NGOs have projects to support the re-invigoration of the fisheries cooperatives. One NGO has organized its members into producer societies (agriculturalists, food processors, textile producers, livestock producers, etc.). However, very few NGOs seems to have any Programme for developing marketing cooperatives. Marketing cooperatives which purchase products from its members, and sell them wholesale, could help strengthen market links, and provide better prices to producers. NGO could research the potential and prospects for marketing cooperatives, at the very least.

One group has organized the coir workers into the equivalent of marketing cooperatives. The NGO itself buys the raw material or finished products (like mats), and has a small export market that it supplies in Europe and the U.S. The NGO claims to have 6,000 members, 95 per cent of who are women. Their members seem to have a better income (in the range of Rs. 5,000-6,000 for raw rope, and more for finished products like mats) as compared to the coir rope producers who were not members of this cooperative. The NGO itself has been self-financed for several years (until the tsunami); the organization keeps a small percent of revenue from sales for its own overheads.

Another established local NGO with a large membership base has helped to establish marketing networks, where they link wholesalers, retailers, and producers in a given sector, e.g., cinnamon. The NGO facilitates the formation of agreements between the different parties and helps them enter into forward market contracts.

Yet another large international NGO is also planning a Programme designed to improve market access for small-scale producers. This Programme is still in its design phase, and will target coir workers amongst other sectors. This Programme is interesting because the NGO works at multiple levels – they conduct advocacy in international forums like the WTO for fair trade, and simultaneously assist small producers like the coir workers in Sri Lanka in navigating international markets in this globalized world.

Develop Programmes that Encourage Women to Participate in Traditional Male Occupations

A few NGOs insist on a minimum percent of female participation in their livelihood Programmes, including cash-for-work Programmes. One NGO insists on a minimum 40 per cent female participation in vocational training Programmes which are traditionally male domains, like welding, 3-wheeler repair, and electrical work. The Programme has been highly successful in helping women not only learn these professions, but in establishing them as entrepreneurs after the training is complete.

Improve Industries that are Traditionally Dominated by Women

For example, train and organize women who make rope to produce good quality mats, bags, and other finished products. Or like the examples given above, help women seamstresses and lace producers improve their designs and quality, and enable them to connect to good markets.

Link Coastal Village Development Programmes with Similar Programmes Inland

This specifically addresses the equity problem – for every tsunami-affected village being rehabilitated, NGOs should explicitly extend their livelihoods Programmes to one poor village that has not been affected by the

tsunami. The Programmes should not, of course, be identical, but catered to the specific needs of the different villages. Some projects could explicitly link coastal and non-coastal villages, e.g., a village where people grow fruit could be linked to a village on the coast where the fruit is processed into jam.

Gain Thorough Understanding of the Prior Debt Situation Amongst Potential Programme Beneficiaries

This will help NGOs understand who falls through the gaps when it comes to microfinance Programmes, as well as be vigilant for people who may use loans to repay old debt.

Cater to Youth Aspirations and Needs

This could be something as simple as teaching them English, or computer skills, so they have a better chance at getting jobs.

Open up Programmes on Training, Employment, etc. to all in the Tsunami-Affected Villages

Most NGOs have completed the phase of replacing equipment lost in the tsunami. The focus has moved to training, micro-credit and entrepreneur development. Instead of limiting these Programmes to tsunami-affected people only, open them up to all inhabitants of the tsunami-affected villages. Instead of having the only criteria for participation be whether or not the person's livelihood was affected by the tsunami, have a different set of criteria – e.g., occupation before the tsunami (to encourage informal sector employees/labour to participate), or some measure of willingness to put in effort. Removing the "tsunami-only" criteria will help communities develop as a whole, as opposed to leaving behind those who were not affected by the tsunami, but who are poor and need help anyway.

6. Conclusions

While the paper has been focused on identifying unmet need amongst certain sectors of the rural economy, there are also a wide variety of examples of innovative NGO livelihoods Programmes, as discussed in section 5. Currently they tend to be isolated and often small. The goal of highlighting good projects, even briefly, is to provide ideas to all groups on areas to focus new efforts. A key issue and a central theme throughout this paper is that many of the issues pertaining to the informal sector, youth, women and equity are interlinked. Strategically designed and well-coordinated projects can therefore address many needs simultaneously, and help promote equitable development.

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2. Delivery of Tsunami Aid for Livelihood Development at the Community Level

Marit Haug and Chamindra Weerackody

1. Introduction

Household livelihood restoration and development in the aftermath of the tsunami is an extremely complex area from an aid delivery point of view. Aid agencies are confronted with managing the relationship to a diverse group of beneficiaries, often without any prior knowledge of their socio-economic and cultural background or of their local economic and social contexts.

The first section of this paper addresses the questions of how the tsunami aid has impacted on the affected communities and how the recipient communities perceive the aid delivered to support their livelihoods. The second section examines how aid agencies manage relations to households and communities. The paper argues that a shift away from the delivery of standardized 'hardware only' interventions towards more comprehensive, integrated and long term approaches adapted to household needs and skills is required. This intervention methodology would entail more comprehensive and integrated support packages, including training and counselling, and the creation of a community based or localized support structure for problem solving and continuous monitoring to make necessary adjustments.

The data for this article is drawn from five communities located in the East, North and South of Sri Lanka respectively, as well as interviews with Sri Lankan and international aid agencies conducted as part of a broader study on post-tsunami rehabilitation.¹ The article focuses on the work of international and Sri Lankan non-governmental organizations.

1.1 Post-Tsunami Scenario: Changes in Social Structures?

The section below sketches out some of the key socio-economic changes that have taken place after the tsunami. The table which compares survey data² on the income levels of the affected families in six districts shows that a new socio-economic category, namely a category that did not have a regular source of income emerged after the tsunami. At the time of the survey six months after the tsunami this category of no-income families was comparatively high in the districts of Hambantota (49.6 per cent) and Batticaloa (48.1 per cent). As observed during the community assessments conducted with affected communities, this no-income category cuts across and is constituted by families belonging to different pre-tsunami socio-economic categories namely the well-off (rich), the middle level and the poor. The number of families who earned a monthly income over and above Rs.5000 had dropped by 30-50 per cent, with Jaffna district recording the highest drop from 45.1

¹ This paper draws on an ongoing study on the interface between international aid agencies and political, administrative and civil society institutions, as well as communities, in the post-tsunami relief and rehabilitation process. The study is being conducted in six districts selected to represent the affected northern, eastern and southern regions. The districts are Ampara, Batticaloa, Galle, Hambantota, Jaffna and Kalutara. The study was commissioned by the Norwegian Ministry of Foreign Affairs and is carried out by the Norwegian Institute for Urban and Regional Research (NIBR) with partners in Sri Lanka: researchers from the Universities of Colombo, Ruhuna, Jaffna and South Eastern. The study started in June 2005 and will be completed by December 2006.

² Data from the survey conducted in July and August 2005 as part of the above study.

per cent to 2.1 per cent Furthermore, the proportion of families who fell into the income categories of less than Rs.3000 and Rs.3000-5000 had also dropped remarkably after the tsunami. Altogether, the survey data shows that income levels of the affected families have changed considerably after the tsunami and the incomes were significantly lower than what they have been earning before the tsunami.

Table 2.1
Income Levels of the Affected Families Before and After the Tsunami

District	Income Levels before Tsunami (per month)				Income Levels after Tsunami (per month)		
	Less than Rs.3000/-	Rs.3000- 5000	Above Rs.5000	No income	Less than Rs.3000/-	Rs.3000- 5000	Above Rs.5000
Ampara	44.7	32.1	23.2	26.1	46.3	13.8	13.8
Batticaloa	42.0	28.8	29.3	48.1	32.2	7.0	12.7
Galle	20.7	31.4	47.9	33.9	32.1	19.0	15.0
Hambantota	11.3	30.4	58.3	49.6	24.3	11.3	14.8
Jaffna	37.3	17.6	45.1	32.2	46.3	6.3	2.1
Kalutara	6.9	22.9	70.3	13.0	31.3	18.3	37.4

This overall picture of decreases in incomes masks significant differences between groups as some had grasped the new opportunities that arose as the rebuilding process got under way. Changes in the socio-economic positions of different strata in the villages had taken place in a significant manner. The gap between the rich and the poor had narrowed after the tsunami. Groups who managed to make use of new opportunities for work (cash for work, job opportunities created in the construction sector) or to access aid from a number of agencies, or individual philanthropists, had benefited and experienced upward mobility.

Labourers, masons and carpenters have doubled their daily incomes in some areas primarily due to new construction work conducted by NGOs and international aid agencies. For example, a mason or a carpenter who earned Rs.500 a day is now earning Rs.1000 a day. Labourers are also gaining through cash for work offered by NGOs. Several agencies have provided toolkits in significant numbers for masons and carpenters. Labourers, masons and carpenters are categorized as poor groups by the villagers themselves in the community studies.

In other areas there is still a surplus of labourers due to the large number of people who lost their livelihoods and who are seeking casual labour work. Fishermen, for example, have joined the ranks of labourers. Also the farmers who were badly affected in some areas due to destruction of their cultivations, cashew plantations etc. are now engaged as casual labourers.

While incomes for some groups have increased, the cost of living has also increased particularly in the eastern region where the prices of consumer goods have increased substantially. The cost of products and services necessary for rebuilding has also escalated. People find it difficult to hire the services of skilled masons and carpenters at rates which are currently paid to them.

The perceptions in the villages are that although the assets of the 'well off' were affected along with everybody else's assets, they have been able to access income sources from relatives and friends in unaffected areas of Sri Lanka and abroad. Some had savings which they used to restore their business premises and their houses or they have accessed loans from the government, while others have made use of the new business opportunities that presented themselves in particular in the construction field in the aftermath of the tsunami. This general view held by the community differ from some of the individual experiences recounted by people who had been in the well-off category and who explain how they have had to bear the costs of retaining their crewmen and labourers while waiting for a new boat to be delivered, or how their money lending business had suffered as a result of loss of documentation about loans held by customers or the death of customers. Others explained how they had lost all the assets which they had accumulated over the years and the assistance provided could in no way make up for their losses.

1.2 Social Rivalries and Disintegration

The findings from the community studies in the South suggest that the degree of inter and intra-household competition, suspicion and ill feelings were on the increase. It was said that *'Before we used to share food with our neighbours, now we are reluctant to take any food from others because it may have poison'*. This quote illustrates the bitterness that some people feel towards each other. It was reported that social norms and values have eroded and everybody is trying to grab resources that are coming to the village. People had become more individualistic in their attitudes and behaviours. Some say that traditional values have been downgraded as people go in search for items and money being distributed. The underlying cause of this social disintegration is primarily what is seen by the affected people as the unfair distribution of aid and lack of transparency in the delivery system.

The same pattern is not found in the North East where the survey results indicate that a majority of people found that social cohesion had improved. However, a strong resentment against non-affected families who benefited from aid provided by the aid agencies and the government was observed among the affected families in Ampara. One factor that may explain the difference in perceptions on social cohesion is the presence of a relatively large number of small agencies and individual philanthropists in the South often delivering aid in a less systematic manner and coordinating less with other agencies. This situation has led to less transparent aid distribution and more gaps and overlaps.

1.3 Dependency

In almost all the communities in which the study was conducted, laziness on the part of people, particularly the male population to engage in productive activities was reported. Many are increasingly dependent on aid given both in kind and cash by aid agencies and are not willing to revert to their former livelihoods. This state of apathy is partly attributed to the trauma that people experienced after the tsunami. Coupled with inactivity and psychological dependence on aid agencies is increased alcoholism among tsunami affected families. Furthermore, neglect of children and increased incidents of pregnancies are also reported which would eventually bring about economic hardship to the families concerned.

A number of agencies are concerned that people continue to expect more grants and free inputs to be given to them. Sometimes affected people are seen to want to extract as much as possible from the agencies in a short span of time. For example despite being given one sewing machine they expect another one or two to keep as assets. Another concern is that as people have become used to immediate payment for their efforts through cash for work schemes, it is difficult to shift to more long term developmental approaches, such as micro

credit Programmes which require more sustained efforts on the part of beneficiaries and where results can not be demonstrated immediately.

Despite such potential difficulties, aid agencies are striving to introduce economic models that encompass savings and credit, entrepreneurship training, capacity building, market promotion etc. Instead of giving outright grants, livelihood assistance is provided in the form of loans and grants (40 per cent and 60 per cent) where the loan component should be paid back to the community based organization (CBO) by the beneficiary. The loan recoveries are used to strengthen revolving funds in the CBOs, to develop a fund that would give loans for maintenance purposes e.g., boats, machinery etc. or loans to non-affected families while ensuring long-term institutional and financial sustainability of the CBO.

2. Community Concerns

2.1 Aid Effectiveness

A number of the problems identified by the communities were due to a lack of comprehensive assessments of i) the capacities of people to benefit from a specific intervention, ii) the back-up support that would be needed by beneficiaries to benefit from a specific intervention, and iii) an overall assessment of the socio-economic context, i.e., market access in which the intervention, would take place. Some examples of these diverse problems are provided below:

- The priority of almost all the affected families is either to move into permanent houses or to have their houses renovated as soon as possible. Many live in frustration and anxiety without knowing when they would be able to realize their aspiration to occupy a new house, in particular in areas where land is scarce. This means that many people do not find their environment conducive to engaging in productive activities. Combined with the trauma of the tsunami, people find that they do not have a peaceful frame of mind to engage in any productive activities. As such, without ensuring an enabling environment it would be futile to expect an effective output from livelihood interventions.
- The context in which the beneficiaries live at present is not considered. For example, flour grinding machines are given to places where there is no electricity; paddy boiling pots given to people in camps where there is no space; cash given without having considered other family needs; some beneficiaries are physically and psychologically ill after the tsunami and are unable to engage in any productive activity.
- Some beneficiaries do not have any capacity to engage in the trade for which the resources were given to them. For example, boats had been given to crewmen or non fishermen; sewing machines to those who never did tailoring; some fishermen who earlier operated boats or worked as crewmen were given equipment to work as *ritipanna* fishermen.
- Many people who received cash grants varying from Rs.5000 to Rs.10 000 did not invest them in the economic activities for which they had been provided. Instead they had been spent on daily needs such as food, medicine etc. When people have lost everything and their needs are abundant they tend to use the money they receive to satisfy their immediate needs.
- Former fish traders who were provided with push cycles and fish boxes were unable to engage in the trade due to heightened competition from several new fish traders who had been pushed into the trade (having received bicycles and boxes), capturing the same local market. A similar fate had befallen some rice sellers. In one village in the Ampara district, several NGOs had supported 27 women to engage in rice selling and they could hardly find their niche within the local markets.

2.2 Quality

There were many complaints about boats being provided without nets and engines. Others had received canoes but no nets. In other cases recipients complained about the boats themselves, saying that their sea worthiness was poor. There were complaints about incomplete toolkits and low quality tools. The pressure to deliver quickly, weak agency policies and guidelines on the importance of delivering quality inputs, and sub-standard work by contractors are likely reasons for the widespread quality problems that were observed.

2.3 Inequity and Unequal Access to Resources

Unfair distribution of relief and rehabilitation goods was a pervasive complaint in the community studies. For example, some people had received several boats and bicycles to support their fish trade, while others had not received any at all. Others had been allocated new boats, while their old boats were being repaired. In other instances resources had been given to people who never had a boat or sewing machine. In one of the villages in the South, there were at least seven to eight organizations which were providing boats, despite the fact that the number of affected boats was only 23. The number of tool kits delivered to a particular village and the number of skilled labourers who can be found in an average Sri Lankan village hardly match each other suggesting that some toolkits would have certainly gone to people who are not either carpenters or masons.

Equal access to resources is not ensured as people are not adequately informed about opportunities for accessing NGO Programmes. Application forms for participation in different projects are not distributed or circulated with the knowledge of all potential applicants. In general the poorest are most adversely affected by this gap because they tend to have the least access to information. While aid agencies often target villages, families who have moved to live with friends and relatives are in many cases neglected because they do not reside in the village. Hence they are not included in beneficiary lists produced by agencies.

The affected communities themselves find that aid allocation is systematically biased against people who do not have the resources to access aid by negotiating with aid agencies. The people who were poor before the tsunami in the sense that they were not homeowners, who were without effective connections to influential people, and people who were most affected by the tsunami, either physically or emotionally, have lost out in the aid allocation process. Furthermore, families who had been affected by loss of family members were often less able to be present when aid was allocated or to take the time to meet with agencies. Extended families on the other hand were in a position to use multiple strategies for accessing aid. There was a strong perception in the communities studied that the genuinely affected people and the real victims were not receiving their fair share of the aid that was delivered. This situation was seen to be aggravated by the lack of efforts by government administrators to look into the needs of the destitute and by poor people's lack of access to information about aid distribution points and about distribution of application forms for aid Programmes.

The Table below suggests who the communities themselves see as the winners and losers in the tsunami aid delivery process.

Table 2.2
Winners and Losers in Accessing Tsunami Aid

Winners	Losers
<ul style="list-style-type: none"> • Politicians who strive to build their image and increase their vote base • Local government officers who try to earn extra money • NGO field officers • Office bearers of CBOs, Fishery Societies • Housing officer • People who did not have sewing machines, boats/canoes before tsunami • People without proper vocational skills • Non-affected families • Non-fishermen • Non-registered households • Less affected families • Friends and relatives of politicians • Friends and relatives of local administrators • Friends and relatives of CBO leaders • Those living by the road side • People who lost only their kitchens or firewood storage huts • People whose boats had been already repaired • Families who lived outside 100 or 200 metre border • Rich people who can bribe and influence aid delivery process • People who can bribe NGO field officers and local government officers • Non-affected communities outside the affected area but who support the local politician 	<ul style="list-style-type: none"> • Families who lived on land that belonged to others • Families who could not prove ownership to land • Second generation families who do not have a separate identity/registration with the Grama Niladhari • Families who have mortgaged their land at the time of tsunami • Affected persons/families who live with their relatives and friends • Displaced farmers • Heavily affected persons/families, i.e., injured • Affected persons/families that still grieve over their lost family members and are suffering from mental disorders, lack of motivation etc. • Still there are genuinely affected people who have not been able to access aid: families whose houses were completely or partially destroyed, some real fishermen, some legally registered households, some people with vocational skills • <i>Kattamaran</i> fishermen who lost their boats and nets • Families who lived within 100 or 200 metres • People who did not get information about the venue and time of aid delivery • Opponent families of the local politicians

2.4 Undue Influence: Bribery and Corruption

Bribery and corruption happen in a number of ways. People are added to or deleted from lists of beneficiaries that are prepared by local government agencies. For example, if you did not own a boat, but aim to obtain a boat from an agency you may pay a sum of money to the relevant government employee, and you are added on to the list of people who were registered as boat owners before the tsunami. Police reports of losses have been issued for Rs.1000. Village level administrative officers are seen to be under the influence of the political party that provided them with the job. It is a commonly held view that many of them include party supporters as well as relatives on the lists of tsunami-affected, while excluding the deserving by striking them off beneficiary lists.

Incidents of manipulation of aid by comparatively powerful politicians for their own benefit and to patronize their constituency were frequently seen in the south. Aid packages had been diverted to non-affected communities located in the interior and supporters of less powerful political parties or people who remained neutral had been deprived of benefits. Development agencies had been strongly advised to offer employment to people appearing in the lists provided by the politicians. Politicians on their part admit that politicisation of aid is one of the main reasons for inequity in aid distribution, yet they blame the voters for applying pressure on them for special favours.

The following story was reported from Ampara district:

“Everyone who was affected received government assistance both in kind and cash. But some non affected families too have obtained this assistance. There are a number of persons in this village who are close associates of the officials of the Fisheries Department. These associates used to take bribes from people who wanted boats and nets. The bribe was Rs.10,000 and the value of goods they received (boats and nets) was around Rs.50,000. Some people who received this aid had never worked as fishermen or never owned a boat. Such people ultimately sold these boats and nets for Rs.30,000”.

The affected population also had several concerns about the work of NGOs and CBOs in this respect.

- People had concerns about NGO field officers who were seen to be corrupt and to take bribes in return for providing goods. For example, there were concerns over corruption by NGOs in Ampara in particular where people in the villages have bribed NGO field officers to get the goods diverted to non-affected families.
- NGO staff is seen to be providing goods and services to their own friends and relatives.
- People complained that there is a discrepancy between actual costs and budgeted cost and that the difference is pocketed by contractors and NGO staff.

CBOs stand accused by communities of not acting impartially and of favouring friends and relatives of their executive members. Whereas less valuable items are often plentiful and tend to be distributed relatively equally between members, valuable goods such as boats, nets and bicycles are often distributed first to committee members and their informal networks.

For example, Fishing Cooperative Societies (FCSs) are seen to be biased in favour of members who have a special relationship to the executive members and of providing goods to people who were never engaged in fishing. Distribution of boats and nets are seen to be based on such special relationships and not on ownership

patterns as they existed before the tsunami. The FCSs were also seen to favour the rich at the expense of the poor.

Several aid agencies have offered employment to youth in the affected communities to work as field officers or volunteers. Many of them are assigned to monitor and report on the progress of their interventions including livelihoods development programmes. While employment generation is a valuable and positive outcome, it has to be asked whether field workers who are an integral part of the same community can conduct a critical evaluation of their beneficiaries and submit a true report to their organizations. For example, beneficiaries who received cash grants but did not use them for economic activities were asked about what the field officers said about their inability to start their intended businesses. The answer was that field officers had not reported them but had said 'somehow you try to do it'.

2.5 Beneficiary Selection

The community cases revealed a number of weaknesses and gaps in the selection of beneficiaries. The process of compiling beneficiary lists by local level administrators were seen as inaccurate, incomplete, and manipulated. As per the perceptions of the affected communities, the Grama Niladharis and the Divisional Secretaries were guilty of:

- not collecting accurate data
- not identifying the real affected families
- discriminating and excluding certain sections of the community
- not being fair and acting under the pressures of politicians and social groups
- taking bribes for delivering resources

Both the government and aid agencies are aware of these issues and several measures have been taken to improve the accuracy of beneficiary lists. Effective beneficiary selection is the key to resolving problems of inequity, bribery and corruption:

- Complaints lodged from affected people with the Divisional Secretaries are investigated
- A number of aid agencies have made beneficiary lists public, for example in newspapers, in public places such as the mosque and temple, the offices of the Grama Niladharis and Divisional Secretaries, head offices and field offices of the NGO
- Communication with people through opinion-makers, field staff etc. has increased
- More systematic sharing of information with the Divisional Secretaries
- More rigorous methods for beneficiary selection have been adopted

Aid agencies are working to streamline beneficiary selection and careful measures are being taken to avoid overlap and abuse. Practically all the agencies working on livelihoods state that they go through rigorous processes of selecting beneficiaries. Often agencies compile their own beneficiary lists, although in close collaboration with the Grama Niladharis or the Divisional Secretaries. These processes involve a number of field visits, talking to the household, neighbours and the Grama Niladharis etc. Sometimes selection is done through collective discussions in the communities through village level committees.

Many NGOs have moved away from relating to individuals and have taken an institutional approach working either through existing CBOs or with CBOs created for the purpose of carrying out a specific project. Formation of small groups, which subsequently evolve into CBOs, cooperatives, alliances etc. were observed. Capacity building of such grassroots institutions has also been treated as a priority.

It is too early to predict the success and the effectiveness of the different strategies adopted by aid agencies. Almost all the agencies interviewed agreed that a certain percentage of wrong selections had entered into their beneficiary lists despite all precautions taken by them. This percentage of wrong selections varied from 10 – 30 per cent.

3. Challenges in Aid Delivery: Moving Towards a More Developmental Approach

3.1 Overcoming a Lack of Trust

Management of the relationship between aid agencies and beneficiaries is a stark challenge as suggested by the concerns expressed by communities over aid delivery. As suggested in the previous section beneficiaries have concerns about i) unfair distribution of relief goods by aid agencies, ii) bribery and corruption, iii) lack of information about agency interventions, iv) turf battles between agencies.

Seen from their vantage point, aid agencies have a number of concerns about their relationship to beneficiaries.

- False claims despite efforts to establish valid lists.
- Efforts to bribe agency staff in order to obtain benefits.
- Beneficiaries “shop” around to identify the agency that can provide them with the best package. For example agencies find that it is difficult to start Programmes that rely on extensive contributions by beneficiaries as long as other agencies continue to provide support for free.
- The affected people are seen to be out to ‘grab’ as much as they can before the agency leaves.
- Some agencies also express concern about the ways in which beneficiaries may spend the money they receive, and are worried that their priority may not be to spend it for useful purposes.

These notions held by the two actors suggest that managing the interface between agencies and beneficiaries is very complex and that the parties do not trust each other. Yet, there are signs of improvements as agencies that have engaged actively and systematically with communities over time suggest that they are in a better position to identify the correct information and to develop a positive working relationship with communities. NGOs should be well placed to tackle the task of redefining beneficiary relations as one of the key strengths of aid delivery by NGOs is believed to be their capacity to work closely with affected populations, a strength which the imperative of speedy delivery in the tsunami relief and rehabilitation operation made difficult to put into practice.

The agency-beneficiary relationship constitutes one component of what can be described as the broader aid delivery system. The Figure below sums up some of the perceptions that actors in the delivery system hold about each other. Perceptions that parties have of each other reveal a lack of knowledge and understanding between the actors which has made coordination and partnerships between the different actors in the delivery chain difficult. However it is important to note firstly, that as the aid delivery operation moves into a more developmental phase, some of these problems are likely to ease. Secondly, these perceptions do not apply to

all agencies. Thirdly they summarise key concerns that are often not made explicit, but that form part of the core assumptions that people hold of each other.

Figure 2.1
The Tsunami Aid Delivery Chain: Inter-Stakeholder Perceptions

International NGOs	Short time frame: rush and urgency Standard models: lack of flexibility Competition for beneficiaries Staff has little sense of culture and context, is often young and inexperienced
Sri Lankan NGOs	Cultural barriers, communication is difficult Limited project management skills Low quality, do not follow standards Lack of speed Do not come for coordination meetings
Community based Organizations (CBOs)	Elite capture Ad hoc, not sustainable Prevents direct access to aid agencies
House Holds (HH)	False claims Dependent

International NGOs agencies are seen to be working on short time frames with a sense of rush and urgency, which does not allow for adequate consultation and communication. Their standard intervention packages are not adapted to needs on the ground. They compete for beneficiaries and consequently beneficiaries learn to shop around to see who offers the best package. Staff are seen to have little sense of the culture and the context, for example about the ways in which the Sri Lankan bureaucracy operates or how-inter personal relationships are handled in Sri Lanka. They are seen to effectively exclude Sri Lankan voices by conducting coordination meetings in English. There is little informal coordination and interaction between international NGOs and Sri Lankan NGOs and hardly any informal arenas for exchange of ideas, information and views.

Sri Lankan NGOs are seen to have limited project management skills, to not deliver according to internationally accepted quality standards and to be slow in delivery. Another concern is that they do not come for coordination meetings. Some are seen to work with politicians, thereby cutting across existing structures for coordination and consultation in the districts.

CBOs are seen to have low capacity in terms of effective membership participation and financial and accounting capacity. In the views of communities they suffer from elite capture and are prone to corruption and susceptible to efforts to bribe them.

3.2 Towards Needs and Skills Based Comprehensive Approaches

The focus of livelihood interventions by NGOs and international agencies has been as follows:

- *Restoring past livelihoods:* Boats and fishing gear are provided to fishermen who lost them. People who lost their retail groceries are provided with cash grants varying from Rs.5,000 to Rs.10,000 to restart their small business enterprises. Those who earlier engaged in tailoring are provided with sewing machines.
- *Finding temporary forms of livelihoods:* Fishermen who lost their boats or crewmen who lost their employment are supported to engage in alternative forms of livelihoods such as vegetable or fish vending and are provided with bicycles, fish boxes and weighing scales, sometimes with a little cash to buy raw materials. It is assumed that they will return to their earlier livelihoods once boats have been delivered.
- *New income generating activities for families:* In order to improve the income levels of the affected families, new income generating activities are introduced to families, particularly aimed at widows, young girls, housewives etc. In some cases, these groups have had no previous experience in income generating activities. They are provided with food preparation utensils, paddy boiling pots or sewing machines.
- *Cash for work:* Another source of livelihood for affected communities is cash for work, particularly in reconstruction work initiated by NGOs/INGOs where people are paid Rs.400-500 per day.
- *Employment in aid agencies:* Several NGOs/INGOs have employed young people as well as elderly people to work as volunteers or field workers with a substantial monthly remuneration of Rs.6,000 to Rs.8,000.
- *Fishing versus non-fishing livelihoods:* The majority of aid agencies have placed their emphasis on developing fishery related livelihoods. Interventions designed to restore other forms of livelihoods are patchy and grants or loans are small in size.

These interventions have several characteristics:

- Firstly, they tend to be *standardized*. A commonly observed mix of livelihood assistance provided by international agencies and NGOs in the five community studies are as follows:
 - Boats and nets (boats with engines, canoes) for fishermen
 - Bicycles, fish boxes, weighing scales for fish traders
 - Tool kits for masons and carpenters
 - Sewing machines
 - Seeds and animals
 - Utensils (paddy boiling pots, food preparation machines etc.)
 - Flour grinding machines/blenders
 - Cash grants (Rs.5000 – Rs.10,000)
 - Subsidized/interest free loans
 - Vocational training

In this manner, the aid agencies tended to focus on dominant groups or sectors in their livelihood interventions such as fishermen who lost boats, canoes and nets, carpenters who lost their tool kits, women who lost their sewing machines, fish vendors who lost their bicycles etc.

- Secondly, a number of the interventions are of a *temporary* nature and can be seen as coping strategies while people regain their capacity and resources to engage in more long term income generating activities, or return to their old livelihoods.

While this approach may have been the best option under the prevailing circumstances considering the imperative to deliver aid quickly and to provide immediate and tangible support to households, a number of agencies are now engaged in reorienting their Programmes towards more flexible and sustainable approaches. This entails systematically mapping out characteristics of differently affected households thereby enabling aid agencies to select beneficiaries according to specific criteria of needs and skills and to adapt the support needed at the household level.

In this context, a key concern is the need to identify particularly vulnerable households from the tsunami affected households to prevent the creation of a group of permanently poor people. Indications of vulnerability found in the villages were i) families who induce their children to stop education and engage them in income generating activities such as casual labour, ii) families whose young members join the LTTE due to escalating poverty in the families.

Among the vulnerable households identified in the village study were households who had lost income earning family members and households who had lost financial assets. Firstly, households who had lost income earning family members would often require livelihood support not only in terms of 'hardware' to develop a new livelihood, but additionally these households may have been affected by psychological trauma preventing them from effectively making use of the aid provided. Hence, support Programmes required are likely to take the form of broader support packages. Psycho-social counselling, training, continued cash support/ cash for work support etc. may constitute components of such packages. Moreover, support Programmes should consist of a back up system or support structure designed for the provision of advice and help with problem solving in the longer term.

Targeting of particularly vulnerable groups based on a set of needs based criteria may be difficult because the tsunami affected communities are not used to the application of criteria that target some groups and not others. Consequently, efforts to target vulnerable groups have created misgivings and discontent in the communities, causing conflict levels to increase. Such misgivings are possibly created by the relatively resourceful people who were in a position to access a relatively larger proportion of aid earlier on.

The second group face specific problems in rebuilding their financial assets. These groups are likely to need special provisions and concessions built into financial aid packages. The list below provides some examples of affected people belonging in this category:

- People who did not have their business enterprises (e.g., retail groceries, tea kiosks etc.) registered prior to tsunami and are unable to claim any compensation
- People whose business enterprises were located in the 100 or 200 metre buffer zone but are now unable to restart them as they do not get authorization from the Divisional Secretary nor do they have any other alternate land
- People who have lost their livelihoods and are unable to settle their previous loans taken for business related purposes

- People who lost their financial assets accumulated in *cheettus* and money-lending and could not recover them due to deaths of relevant people and/or loss of documents
- People whose business enterprises have a diminishing clientele e.g., net vendors do get less nets for mending as many people now have new nets; retail groceries lose clients as many original clients are displaced

In parallel with the process of improving targeting of vulnerable groups, aid agencies have extended their target groups to include poor and conflict affected people. This reorientation is in part a result of the availability of funding to expand the target groups, a recognition among aid agencies that the incidence of poverty tend to be higher in the interior than on the coast, as well as a concern about creating a divided between the tsunami affected population and other deserving groups. As for the conflict affected areas aid agencies are aware of the need not to exacerbate existing divisions and not to create new ones and a number of agencies now include conflict affected as well as tsunami affected people in their work.

4. Conclusion

This paper has pointed to a number of gaps and weaknesses in the approaches, strategies and methods adopted in beneficiary selection, aid delivery and monitoring of aid. In the initial stages the approaches and strategies were neither well designed nor planned and eventually such ad-hoc arrangements brought about a number of negative consequences such as overlapping of aid, benefits being allocated to non-affected persons, bribery and corruption at different levels, exclusion of the most vulnerable and poor groups etc. However, over time many NGOs have now begun to adopt more systematic and transparent systems in their respective interventions. Interviews conducted with aid agencies in December 2005 and January 2006 revealed a number of positive, development oriented and participatory models and strategies that have been integrated into their current interventions particularly since the latter part of 2005.

The imperative in the relief phase was speed in responding to the needs of the affected population. Combined with the push to spend money quickly, this led to a top-down and supply driven approach being taken, in particular by agencies that had little prior knowledge of the context in which they were working. This approach was successful on the supply side in the provision of boats for example. Yet, as this paper notes, there were serious weaknesses in this approach, leading to sub-standard quality and standardization of the interventions. Coupled with the manipulation of beneficiary lists and a lack of consultation, the result was inequity in distribution and little trust between agencies and the affected population.

Most importantly this paper argues that drawing on the strength of NGOs and CBOs in working closely with communities and households, NGO interventions should shift from being based on standardized 'hardware' to looking at the specific requirements of each household and the socio-economic context in which the households operate. While some households may be in a position to make effective use of hardware support only, vulnerable households may need additional support services and follow-up. Some of the support needs to be long term, i.e., training, counselling, coaching etc. Other forms of support could be designed to ease the transition from direct cash support to household income generation, for example by a gradual reduction in direct forms of support, rather than allowing this form of support to come to an abrupt stop. Monitoring to ensure quality of outputs, to identify problems and to ensure that resources are mobilized for problem solving, and to assess critical issues such as market access, should be a priority.

In order to address some of the issues, gaps and weaknesses in the aid delivery system, we briefly recommend the following.

- Systematic consultations with the affected people using recognized participatory methodologies
- The adoption of a combination of individual and community based consultation to overcome inbuilt biases in the two approaches
- Adoption of systematic and objective criteria for beneficiary selection
- Systematic mapping of vulnerable groups to develop household and context specific interventions
- Integrated approach to household interventions by identifying support service systems needed, e.g., training, counselling, in addition to the 'hardware' provided
- Flexible support to ease the transition from relief and rehabilitation to development oriented interventions, i.e., by providing relief support in combination with income generating programmes
- Adoption of a rigorous monitoring system
- Continued work on strategies for sharing information with communities, i.e., information about training and support programmes, criteria for beneficiary selection, beneficiary lists etc.
- Emphasis on quality and long term support rather than numbers of beneficiaries reached.

3. Some Issues and Challenges in Fisheries Sector Reconstruction and Rehabilitation

Leslie Joseph

1. Pre-tsunami Fishery Issues

Although the contribution to national GDP is small (less than 3 per cent), the fisheries sector of Sri Lanka is of considerable social and economic importance. Fish contribute to nearly 60 per cent to the animal protein intake of the population and sustain nearly 620,000 dependents in fishing households throughout the country.

Marine fisheries are conducted around the entire 1 770 km of Sri Lanka's coastline. It is estimated that over 150,000 fishermen are directly engaged in marine fisheries, including those fishing in lagoons/estuaries. Except for operations by a few private firms, fishing in Sri Lanka is largely small-scale. The majority of the fishermen are low to moderate income earners with annual incomes of between Rs.30,000 to 63,000.

Fisheries has also emerged as an important foreign exchange earner. Over a five-fold increase in the exports of fish and fishery products has been recorded from 1983 to 2004, with current annual exports being worth Rs. 9 billion.

1.1 Marine Fisheries Resource Endowment

The narrow continental shelf as well as the lack of upwellings imposes natural limitations on the marine fish resources around Sri Lanka. Since the 1960s, various estimates of the potential yield from coastal fisheries have been made using different approaches. These range from 52,000t to 80,000t for demersal resources and 90,000t to 170,000t for pelagic resources.¹

Reliable estimates of the potential yield from the offshore/ deep-sea areas of Sri Lanka are not available, but some preliminary estimates based on the commercial fishery, surveys, school sightings, etc. range from 44,000t to 98,000t. However, these estimates are of little relevance in view of the fact that the resources supporting offshore fisheries are the highly migratory tunas, billfish and sharks belonging to the whole of the Indian Ocean.

Some off-shore fishing grounds of deep-sea lobsters, shrimp and a few commercially important species of fish were discovered during past surveys. Most of the fish stocks discovered are only suitable for conversion into fishmeal and since the declaration of Exclusive Economic Zones (EEZ's), some of these stocks now lie within Indian territorial waters. Many of the deeper water demersal and mesopelagic fin-fishes, deep sea crabs, lobsters, shrimp, octopus, squids and cuttlefish varieties have no established market, and the economics of exploiting even those for which markets exist remain doubtful. The consensus of opinion is that demersal fisheries beyond the continental shelf do not present any substantial potential for expansion.

1.2 Development Trends

The diverse types of traditional and larger scale fishing craft are categorized into six groups: 1) Non-motorized traditional crafts, 2) Motorized traditional crafts, 3) Beach seine craft, 4) 6-7 m Fibre Reinforced Plastic (FRP) boats, 5) 3 ½ ton boats and, 6) Off-shore multi-day boats. Except for the offshore multi-day boats, all other categories are considered coastal fishing boats.

¹ "Demersal" means bottom dwelling and "pelagic" means surface dwelling.

The coastal fishing fleet increased from 23,986 in 1984 to 28,589 in 2005. While the number of operating motorized traditional crafts and beach seine crafts have shown a decrease, FRP boats have shown a significant increase from 6,882 in 1984 to 11,559 in 2005. The offshore fishing fleet shows the most dramatic expansion among any boat type during the last 20 years – from 70 to 1,500 (Table 3.1).

Table 3.1
Development of Sri Lanka's Marine Fishing Fleet (No. of vessels 1984 – 2004)

Boat Type	1984	1990	1995	2000	2004
Non-motorized Traditional crafts	13 171	14 580	14 649	15 109	15 260
Motorized Traditional crafts	3 861	973	1 060	1 404	674
FRP boats (6-7m)	6 882	9 758	8 564	8 690	11 559
3 1/2 ton boats (28 ft)	2 718	2 364	1 357	1 470	1 493
Offshore multi-day boats	72	1 639	1430	1 581	(34-50ft)
Beach seine crafts (22 - 31 ft)	1 261			900	1 052
Total	27 965	27 675	27 269	29 003	31 619

Source: MFAR Statistical Unit.

According to statistics maintained by the Statistical Unit of MFOR, marine fish landings in Sri Lanka have increased from 57,457 t in 1960 to 76,883 in 1970 and, to 167,412 t in 1980. The onset of ethnic disturbances in the early 1980's disrupted fishing in the north and east and the landings in 1990 was estimated at 145,798 t. The increase in total marine landings in more recent years (259, 680 t in 2000 and 274,760 t in 2002) has been attributed to the rapid development of the offshore fishery, which developed mainly in the west and south (Table 3.2).

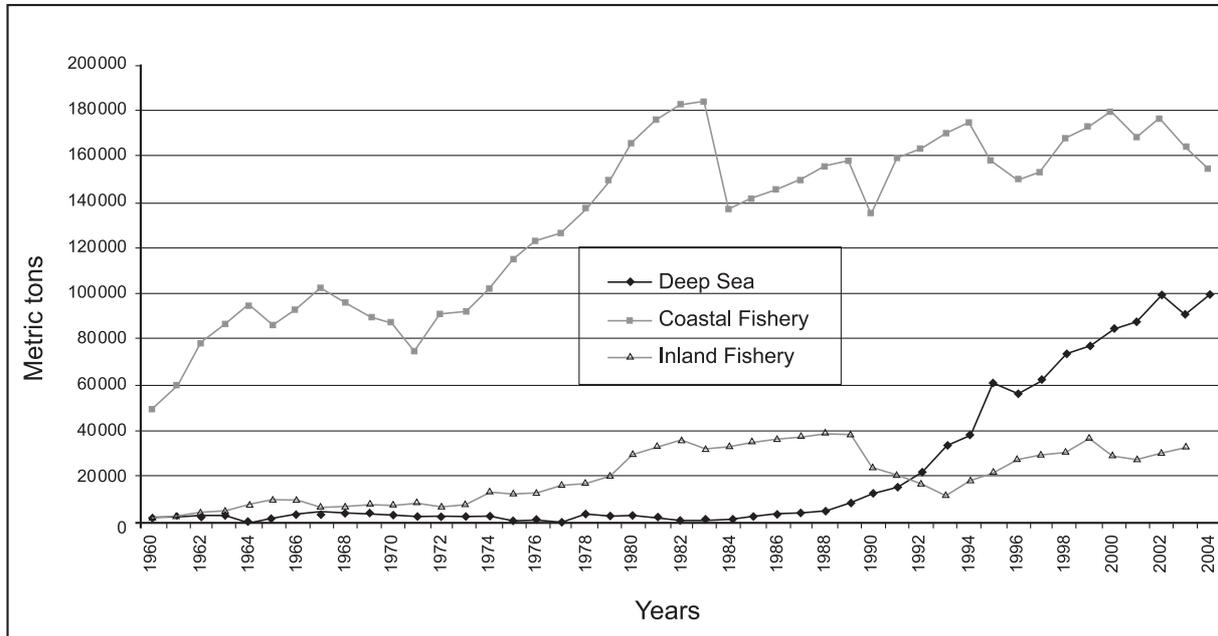
Table 3.2
National Fish Production (1985-2004 in tonnes)

		1985	1990	1995	2000	2004
Marine fishery	Coastal	140 270	134 130	157 500	175 280	154 470
	Offshore	2 400	11 670	60 000	84 400	98 720
	Total	142 670	145 800	217 500	259 680	253 190
Inland fishery		32 740	38 190	18 250	36 700	33 180
Total production		175 410	183 990	235 750	296 380	286 370

Source: MFAR Statistical Unit.

Marine fish production in 2002 reached 274,760 t (coastal 176,250 t and offshore 98,510 t). While fisheries in the north and east were severely disrupted due to civil war during the last 20 years, coastal fisheries in the rest of the country have stagnated during the last few years, mainly due to intense fishing pressure which had led to overexploitation. Figure 3.1 show the annual trends in coastal and offshore (deep sea) fish production since 1960.

Figure 3.1
Trends in Coastal and Off-shore Fish Production, 1960-2004



1.3 Status and Issues in Coastal Fisheries

Coastal fisheries target a diverse range of resources – fish, shellfish, molluscs, etc. through a number of craft and gear types.

Small and medium sized pelagic fish such as sardines, herrings, anchovies, mackerels and small tunas are exploited primarily by small-mesh gill nets, beach seines, and ring nets. Bottom dwelling demersal fish such as surgeon fishes, jacks and trevallies, emperors, snappers, groupers, and sharks and rays are caught principally by trawling in the north and northwest, and by bottom set nets, bottom long lines and hand lines in other areas.

Shrimp is taken in estuaries, lagoons and in adjoining coastal seas. Lobsters found in coral reefs, sandstone, rocks and mud banks comprise one of Sri Lanka's most valuable export fisheries. Other resources harvested from inshore coastal waters and brackish water lagoons and estuaries include crabs, chank, beche de mer, etc.

Coastal and brackish water fisheries in Sri Lanka are afflicted by over exploitation of resources, declining catches and user conflicts, use of destructive fishing practices and damage and destruction of critical habitats.

The primary reason for declining catches in many of the coastal inshore fisheries is due to **over-exploitation** of resources brought about by increase in fishing effort and is usually reflected in reduced catch per unit effort. In many instances, fishermen's response to reduced catch rates has been to reduce the mesh size of nets to catch smaller and smaller fish: contributing to yet more over-fishing. In many areas the traditional 1 1/8" inch mesh gillnet for sardines have now been replaced by nets of 1" inch mesh, targeting smaller and smaller fish.

The sedentary or slow moving inshore coastal resources inhabiting easily accessible inshore waters, such as prawns, lobsters, beche de mer, chank, etc. have come under intense exploitation due to the lucrative export markets. These resources have been depleted in many areas.

Destructive fishing practices can have a direct negative impact on the resource, leading to subsequent decline in the resource itself and catches. The impact could also be indirect - on the habitat or the ecosystem supporting the resource in which case both the resource and the habitat would be adversely affected. The common destructive fishing gear and methods prevalent in Sri Lanka's coastal fishery include the use of explosives (dynamite fishing), operation of trammel nets and bottom set gillnets on corals and rocks and the use of moxi nets on corals and rocks to catch ornamental fish.

Coastal fisheries are characterized by multi-gear multi-species fisheries - the use of a variety of fishing gears targeting a large number of species. This and the use of illegal and environmentally harmful fishing gear by groups of fishermen has given rise to many **user conflicts** between different groups.

1.4 Status and Issues in Offshore Fisheries

The offshore fishery is an extension of the coastal large-mesh drift gill net fishery and shark/ tuna long line fishery into the offshore waters, up to the margin of EEZ and also in the high seas. The fishery has developed rapidly since the mid 1980s and today over 1500 vessels operate in the fishery. Offshore boats stay out for more than a day during a single fishing trip (some boats stay out for over a month) and are popularly referred to as multi-day boats. Most of the catch is used for domestic consumption, with the lowest quality component, such as shark meat, often being used for dried fish production. However, the export of fins is a valuable adjunct to the shark fishery, and there are also attempts to develop an export trade in fresh sashimi-grade tuna.

The offshore fishery targeting the migratory stocks of tuna, billfish and sharks was the fastest growing sector in the marine fishing industry during the last two decades: production increased from 2,400t in 1985 to 98,720t in 2004, equivalent to 34 per cent of the national fish production. The offshore fishery is characterized by its heavy reliance on gillnetting and associated post harvest losses.

The over reliance on gillnetting has resulted in imbalanced exploitation of offshore resources. The surface pelagics (skipjack, immature yellowfin, sharks and billfish) are taken in gillnets while the deep-water resources (large yellowfin and bigeye tuna) remain largely unexploited by the local boats. Tuna long lining is not popular or wide spread due to the large investment needed, lack of trained manpower and problems with bait. It has been estimated that nearly 30 per cent of the off shore catch landed by multi-day boats are of very poor quality. Fish is brought on ice in all multi-day boats and boats that make fishing trips lasting over a month are known to land more poor quality fish. The situation is made worse by other conditions on board, mainly the bad and unhygienic practices in fish handling and storage. The heavy reliance on gillnetting has also brought into international focus and concern the issue of by catch – the incidental taking of marine mammals (e.g., dolphins, dugong) by local boats.

Lack of modern and specialized fishing boats is also responsible for the increased popularity in gillnets. Fishing boats are un-specialized and not properly equipped. Offshore boats have no onboard cooling or freezing facilities and deck equipment to make optimum economic use of high seas resources.

Inadequate fisheries management overrides many of the issues prevalent in both coastal and offshore fisheries. Enforcement of regulations has been weak due to inadequate MCS (Monitoring, Control and Surveillance) capability. Recent attempts to promote community based fisheries management through provisions in the Fisheries and Aquatic Resources Act No. 2 of 1996 have not had much success. Village /ethnic bias, socio-political pressures and non-participation of other stakeholder groups are some of the major factors that have weakened the successful implementation of past community based fisheries management initiatives.

While the Act provides for enhanced community participation in fisheries management, it also provided for the introduction of a licensing scheme whereby all fishing operations conducted in Sri Lanka waters required a licence from the Department of Fisheries and Aquatic Resources. The annual licence fee ranged from Rs.25 to Rs.500 but is linked more to the craft category than the resource taken or the income generated. The license scheme has been introduced to provide a basis for future management of fisheries. Fishermen have shown a very low compliance with management initiatives introduced by the authorities such as boat registration and licensing. They also demonstrate scant respect for many of the regulations introduced by the authorities to ensure sustainable fisheries and conservation of resources. Over the years the fisheries authorities themselves have been handicapped by lack of personnel and facilities for proper enforcement. The end result has been a continued deterioration of the habitats, the resource base and declining catches and income for fishers.

2. Post-tsunami Fishery Issues

2.1 Tsunami Damage to the Fishing Fleet

The December 2004 tsunami caused considerable damage and destruction to the marine fishing industry. Humanitarian damage included loss of 4,870 members of fishing communities, damage and destruction to over 30,000 fisher houses and displacement of over hundred thousand people dependent on fishery based livelihoods. Physical damages included damage and destruction of the fishing boats, fishery harbours and anchorages, other infrastructure and service facilities such as ice plants, cold rooms and fish marketing facilities and coast protection structures as well as coastal habitats and environment. The damage to the fishing fleet stands out in terms of loss of livelihoods.

A number of estimates of the damage to the fishing fleet have been made since January - by the Dept. of Fisheries, FAO and Ministry of Fisheries. The number of boats damaged and destroyed increased with each estimate and in some districts was higher than the fishing fleet that operated during 2003 and 2004. Some of the reasons given for such discrepancies were:

- Inability to verify data/information from un-cleared areas
- Destroyed traditional crafts that service large boats at anchorages have also been listed as “destroyed fishing craft” although they are not registered as fishing crafts
- In the absence of accurate data and the fact that a large proportion of traditional crafts are not registered, it has been possible for fishermen to bring old, abandoned boats or parts of boats and claim these as damaged or destroyed
- Boats classified as ‘damaged’ have subsequently been reclassified as ‘destroyed’ when technical inspections showed that such boats are beyond repair
- In some districts, boats fishing in estuaries and destroyed by the tsunami have not been taken into the marine fishing fleet in 2004. These boats have been included under the list of destroyed boats
- Repairs on some boats have been of poor quality and these have subsequently been condemned and listed as destroyed

A consolidation and reconciliation of the available data on boat damage was done in August. According to the final reconciled data, 54 per cent of the fishing fleet was destroyed and 23 per cent damaged by the tsunami (Table 3.3).

Table 3.3
Estimate of Boats Destroyed and Damaged

Boat Type	Boats Destroyed	Boats Damaged	Total Des. / Dam.
Multi-day boats	187	676	863
One day boats	276	783	1059
FRP Boats	4485	3211	7691
Traditional crafts	11165	2435	13600
Beach seine crafts	818	161	979
Total	16921	7266	24192

2.2 Status of Boat and Engine Repairs

Repair of damaged boats and engines were undertaken by the Ceynor Development Foundation of the Ministry of Fisheries and various NGOs and other organizations. Available data indicate that by the end of November 2005 repair of all damaged boats had been completed. It is suspected that the repair of some of the beach seine craft has been included under Traditional crafts (Table 3.4).

The total number of boats repaired is higher than the number reported damaged – particularly the traditional crafts and FRP boats. It has been found that repair facilities provided in tsunami affected areas have attracted boats from other non-tsunami affected areas. In addition, owners of boats that were not damaged by the tsunami have taken advantage of the facilities to get minor repairs done on their boats. More recently, many large boats not affected by the tsunami have been brought for repair/rehabilitation of the fish holds.

An initial estimate of the 1,741 number of engines damaged made in early 2005 has not been revised and the number repaired up to end of November stand at over 2,900. A further 200 inboard engines are awaiting repairs, delayed due to lack of spare parts. FAO has recently provided spares for these engines and the repairs are about to commence.

Table 3.4
Status of Boat Repair (as at end November 2004)

Boat Type	No. Damaged	Total Repaired
Multi-day boats	676	780
One day boats	783	865
FRP boats	3211	4107
Traditional crafts	2435	3589
Beach seine crafts	161	134
Total	7266	9475

2.3 Provision of New Boats

Over 100 INGO's and many local NGOs, donor agencies, private sector entrepreneurs, religious groups and individuals have up to now provided over 12,000 new fishing boats to replace those destroyed by the tsunami. The balance pledges total over 6,500. If all balance pledges materialize, there is a likelihood of an over supply of nearly 2,000 FRP boats and over 400 Traditional crafts (Table 3.5).

A total of 22,543 or 93 per cent out of the 24,185 fishing boats damaged/destroyed have been repaired/replaced by end of November. According to Ministry of Fisheries statistics, the total number of fishing boats operating in June 2005 was 18,825, equivalent to 60 per cent of the total fishing fleet (Table 3.6).

The rehabilitated fishing fleet should allow an estimated 49,000 fishers to resume their livelihoods.

Table 3.5
Provision of New Fishing Boats

Boat Type	No. Destroyed	No. Replaced	Balance Pledges
Multi-day boats	187	0	175
One day boats	276	20	393
FRP boats	4480	4218	2557
Traditional crafts	11158	8627	3034
Beach seine crafts	818	203	355
Total	16919	12068	6514

Table 3.6
Fishing Fleet Recovery Status (as at end November 2004)

Boat Type	2004 fleet	No. Dam. / Des.	No. Rep. / Repl.	No. operating in June 2005
Multi-day boats	1 581	863	780	1 283
One day boats	1 493	1 059	885	1 149
FRP boats	11 559	7 691	8 325	7 153
Traditional crafts	15 934	13 593	12 216	8 978
Beach seine crafts	1 096	979	337	262
Total	31 663	24 185	22 543	18 825

The gradual rehabilitation of the fishing fleet during the last eleven months is reflected in the increased fish production during this period. Fish production during the first eight months (January to August) of 2005 is only 38-40 per cent of the production recorded for the same period in 2003 and 2004. However, quarterly fish production data shows a gradual increase and recovery of the fishery.

Fish production during the first quarter of January to March of 2005 totaled 10 900t – only 16 per cent of the production recorded during the same period in 2003 and 2004. Production has increased to 27,700t during the second quarter of April to June, equivalent to 49 per cent of the production during the same quarter in 2003 and 2004. Production during July and August 2005 is equivalent to 62 per cent of the production during the same months in 2003/2004.

2.4 Issues Related to Damage Assessment and Rehabilitation of the Fishing Fleet

Some of the important issues related to post-tsunami rehabilitation of the fishing fleet are summarized below:

- The number of Traditional crafts and FRP boats reported damaged/destroyed is much higher than the 2003/2004 fishing fleet in some districts. In the absence of a reliable pre-tsunami database, it is not possible to verify the accuracy of the data although there is strong concern that figures in some districts have been inflated due to various pressures and considerations.
- Data on boats damaged is distorted by the continuously increasing number of boats repaired over and above the number damaged.
- Provision of Traditional crafts and FRP boats in many districts far exceed the number reported as destroyed – implying that many fishermen who did not possess boats before the tsunami or many non-fishermen in these districts have been provided with new boats.
- Insufficient coordination between the Ministry and the large number of donors immediately after the tsunami has resulted in many problems related to selection of genuine beneficiaries. Some NGOs have not coordinated their activities with the Ministry of Fisheries, from the selection of beneficiaries to the provision of boats. This has created a situation where some genuine beneficiaries have not received boats, even in districts with an oversupply of boats.
- In certain instances, boat repair work has been conducted in unfavourable conditions and devoid of adequate technical supervision. Many fishermen have complained that the repairs are unsatisfactory and have demanded new boats.
- The established boatyards could not meet the challenge of providing thousands of new boats within a short time. Many NGOs involved in provision of new boats were also keen to complete their task as early as possible. Similar to boat repair, many makeshift facilities were used for building new boats, under unfavourable conditions and without technical supervision. Fishermen have rejected over 500 new canoes in the east coast as they are not seaworthy. The Ministry of Fisheries will be saddled with the problem of finding replacement crafts for these fishermen.
- Delivery of fishing gear (mainly nets) has been slow and many boats may be not fishing or fishing at low capacity. Many NGOs and other donors who provided boats, only provided a few nets and not the full complement of nets required for the boats.

2.5 Concern Regarding Over - Supply of Boats

The Ministry is very much concerned that an over supply of boats may, in the long term, prove detrimental to the fishermen themselves, particularly the small scale coastal fishermen. Sri Lanka is situated in the tropical Indian Ocean and the tropical oceans are characterized by very low productivity throughout the year (this in contrast to temperate and polar oceans where very high productivity during certain seasons support large fish stocks). The low productivity is due to a permanent temperature barrier (thermocline) which prevents mixing of nutrient rich cold water with the warm surface waters.

In addition, the continental shelf around Sri Lanka is very narrow, averaging only 22km in width. Countries with wide continental shelves tend to have very large fish stocks. The narrow shelf is also rough and uneven in most parts, limiting possibilities for commercial trawling. Other oceanic processes that enrich surface waters to support large fish stocks (such as upwellings) are also absent around Sri Lanka. There are therefore important natural limitations that limit the magnitude of the fish resources present in our coastal seas.

The impact of the tsunami on fish resources is still to be determined. The ocean bottom and ecosystems such as coral reefs were severely disturbed and this may have impacted on bottom dwelling resources such as bottom fish, shrimp, lobsters, chank, beche de mer, etc.

It is also widely accepted that the proposed 'Sethu Samudram' canal project is likely to cause adverse impacts on the critical marine habitats (corals, sea grass beds) and fishery resources. Only the magnitude of the damage is unknown.

With the fishing fleet rehabilitated through the provision of a large number of new boats and new fishing gear, the fishing pressure on resources will be higher than before the tsunami, even if the fleet size is kept to pre-tsunami levels.

If the fishery is continued in its current form with over exploitation, continued use of illegal and environmentally harmful fishing gear and lack of management, the addition of a large number of small coastal boats over and above the pre-tsunami levels will be detrimental, particularly to the small scale coastal fishermen as their catches and income are likely to fall. It is for these reasons that the Ministry of Fisheries wish to adopt a precautionary approach and limit the fishing fleet to pre-tsunami levels until more is known about the resources and necessary steps are taken to place the fishery under a sound management regime.

3. Building Back Better - Opportunities and Challenges

The post-tsunami rehabilitation also allows opportunities to build back better. Some of the key areas identified in the "Strategy and Programme for Post-tsunami Reconstruction and Development of the Marine Fisheries Sector", developed by the Ministry of Fisheries include:

- Improved designs for offshore multi-day boats to ensure minimum safety standards, increased operational efficiency and greater safety for the crew at sea.
- Technological improvements to onboard fish handling and preservation to minimize economic waste, increase quality of fish landed and also increase opportunities for export and more income generation from the resources.
- Mobilizing and empowering fisher communities and other stakeholders in participatory fisheries management, particularly in coastal fisheries. This will be achieved by awareness creation among all sections of the community, strengthening institutional capabilities in monitoring, control and surveillance and improving facilities for resource assessments, boat registration and licencing systems.

All stakeholders – the institutes, fishers and other stakeholders will have a decisive role to play in rebuilding the fishing industry to a level beyond the pre-tsunami. Communities and civil society organizations need to take a more active and participatory role in fisheries management, particularly in complying with various measures designed to ensure sustainable fisheries and conserve resources. Upgrading the capacity of concerned agencies for research, development and management of the sector is an urgent and critical issue that needs to be addressed on a priority basis.

Attitudinal changes are required right across the board - from the humble fisherman to the highest authority in the sector, in meeting the challenge of building back better and to make maximum use of the opportunities provided under the post-tsunami reconstruction. Everyone involved from catching fish to managing fisheries need to understand and appreciate the limitations, the dynamics and the interrelationships between the fish resources and the coastal environment to ensure sustainable fisheries and continued livelihood for today's as well as tomorrow's fishermen.

4. Tsunami Issues Affecting Fishing Communities and Challenges to be Addressed if “Build Back Better” is to Contribute Towards Sustainable Livelihood Development

Steve Creech*

Summary

The need to accommodate pre and post tsunami issues in the planning stage of livelihood development initiatives is strongly emphasized. The complexity of the fisheries sector in Sri Lanka is discussed, so too the danger of liberally using the term ‘fishing community’, without an understanding of the nature of the many stakeholders, which this term encompasses. A range of pre tsunami issues affecting 53 lagoon and coastal fishing communities in Jaffna, Batticaloa, Ampara and Hambantota is presented, analyzed and discussed. Access to micro credit, the ineffectiveness of fisherman cooperative societies (FCSs) and inadequate fishery management arose as priority issues in all three analyses with fishing communities in the north, the east and in the south. Addressing the impact of the civil conflict was a priority issue for lagoon and coastal fishing communities in the north and east. Two issues that have arisen subsequent to the tsunami are then highlighted and briefly discussed. In response to the first, it is argued that FCSs are valid representatives of their fishing communities, but are ineffective because they are extremely weak community based organizations (CBOs). Examples are given of efforts to build the capacity of existing FCSs and to develop new CBOs to represent the fishing community. To answer the second question posed, the paper examines the discrepancy between data that strongly indicates that the craft destroyed have been or will soon be fully replaced and claims by fishing communities that the needs of tsunami affected boats owners and fishermen remain unmet. Three examples are given that both support this claim and explain the variance. The development of a revised, easily verifiable database, focusing on FCSs or fishing villages is recommended. It is suggested that the key challenges facing livelihood development in the fisheries sector include replacing the ‘one-size’ fits all approach of the emergency relief phase, by a more locally sensitive and better researched interventions; institutionally strengthening FCSs or the development of new CBOs to represent fishing communities and verification of distribution of assorted fisheries hardware under the emergency relief phase. The paper concludes by asserting that the ultimate challenge will be to make sure that the livelihoods that are developed, using the financial resources and freedoms that are now available as a consequence of the tsunami are sustainable.

* The data presented in this paper was collected in collaboration with field staff from Sewalanka Foundation’s district offices in Ampara, Batticaloa, Hambantota and Jaffna, over the last six years. Without the fullest support of the respective District Directors - Deepal Chandrathilake, G. Nagarajan, Lionel Dasanayake (now at FORUT Moneragala) and Anandaraja - this data and the paper that it has produced would not have been possible. I would like to express my gratitude to each of them, for their commitment to their work, their knowledge and experience and their willingness to share it and for their individual friendships over the past seven years. So long guys and thanks for all the fish!

1. Introduction

For many organizations and agencies in the aftermath of the tsunami, 26th December 2004 has become *de facto* Ground Zero with respect to the reconstruction of the fishery sector in Sri Lanka. A multitude of data has been collected over recent months. The discussions these data have generated over the last eleven months have focused almost exclusively on quantitative assessments of the status of the fishery sector on or about 26th December 2004. Unarguably the emphasis of the emergency relief phase¹ in the fisheries sector has been strongly influenced by this data. As a consequence, the avalanche of project interventions and activities implemented in tsunami affected fishing communities under the emergency relief phase of the recovery effort has focused almost exclusively on the delivery of boats, nets and engines (hardware). That these inputs were relevant, locally available, relatively expensive, and highly visible and provided a good media opportunity for donors, NGOs and individuals alike, encouraged many organizations with no prior experience of working in the fisheries sector to contribute to the livelihood recovery of tsunami affected 'fishermen'. The immediate consequences of focusing almost exclusively on fisheries hardware over the past year have rapidly become apparent. What impact this will have on future livelihoods in the fisheries waits to be seen.

If the commitment to 'build back better' in response to the tsunami is to be realized, a more comprehensive understanding of the issues affecting the fisheries sector in Sri Lanka is now required; one which goes beyond that currently offered by the obsession with fisheries hardware. The impact of the tsunami urgently needs to be reviewed within the context of the development, or not, of the fishery sector in Sri Lanka over the past fifteen years. Viewed from this perspective there are international and national issues to be examined; political influences and the impact of twenty years of civil conflict to be considered; social and economic (software) issues to be factored into the debate, in addition to the hardware issues currently highlighted. The immediate and future impact of fisheries livelihood development² on the environment should also be a concern. To ensure that fishery livelihood development initiatives do make a meaningful contribution, a more comprehensive understanding of the multitude of issues affecting the fisheries sector needs to be generated now.

In this paper, data collected by field staff from Sewalanka Foundation³, with fishing communities in four districts, over a period of six years leading up to the tsunami is presented and analyzed in Section 2. More recent data describing two issues that have arisen within the fishery sector since the tsunami is presented and discussed in Section 3. In the final section several challenges facing fishing communities, national and international non governmental organizations (NGO), donor agencies and the Government of Sri Lanka (GoSL) in relation to the livelihood development phase of the tsunami recovery are extracted and discussed.

¹ Emergency Relief: Free / grant based distribution of relief, rehabilitation or livelihood development assistance delivered directly to individuals or via CBOs.

² Livelihood Development: Part grant / part credit based distribution of livelihood development assistance delivered to individuals via CBOs.

³ Sewalanka Foundation, established in 1991, is one of the largest national NGOs in Sri Lanka and been actively engaged in emergency relief, reconstruction activities in all tsunami affected districts over the last eleven months. Sewalanka Foundation has been planning and implementing post tsunami livelihood development interventions in the fisheries sector since June 2005. Sewalanka Foundation currently operates 17 district offices throughout the country and employs more than 750 full time staff. For full details of Sewalanka Foundation and its activities visit www.sewalanka.org

1.1 Defining Terms

The term 'fishing community' has only limited utility with respect to discussions surrounding issues and problems within the fisheries sector. Fishing communities are highly stratified, both horizontally and vertically. The horizontal stratification is typically explained with reference to the type of fishing craft used to catch fish. Sub divisions that are commonly used in this horizontal stratification include 'no craft', 'unmechanised traditional – lagoon', 'unmechanised traditional – marine', 'traditional mechanized – marine', 'mechanised outboard motor (OBM)', 'mechanized one day boats with inboard motors (IBM)' and 'mechanized multi-day boats with IBM'.

On the vertical axis there are at least eight categories engaged in fishing including part time fishermen, part time fisherwomen, part time fishworkers, full time fishworkers⁴, full time fishermen⁵, full time fisherwomen, individual boat owners⁶ and commercial boat owners. The vertical stratification within a given fishing community is extended upwards by those engaged in local and regional wholesale trading, by local retail traders and fish processors at the community level. Fishing also demands a number of ancillary support services notably individuals who engage in repair work and provisioning.

A fishing community is not just made up exclusively of individuals either engaged directly or indirectly in catching or marketing fish or delivering associated services. At each intersection of the vertical and horizontal axis there are wives and husbands, sons and daughters and elder family members. In addition to the individuals who comprise any given fishing community there are societal (i.e., caste), cultural (i.e., religion) and geographic factors, which all influence the status of both individuals and communities in relation to one another and thus which need to be understood.

When you add to this mix Sri Lanka's three main ethnic groups, representatives of which can be found at all levels of the fisheries sector throughout the country, the permutations of potential opinions on issues and problems affecting the fishing community is rather daunting. Fortunately, few fishing communities contain more than perhaps 25 per cent of this complexity. Yet even within a single small lagoon fishing community there will be a range of potentially contradictory opinions and people very willing to express them. It is then vitally important to recognize who it is that is being referred to when the term 'fishing community' is used.

1.2 Determining Issues

Acknowledging the heterogeneity within fishing communities is an integral part of developing an understanding of the issues and problems likely to affect a given fishing community. While the extraction and verification of multiple opinions is unarguable in theory, unfortunately the effort and application required is often unrealistic in practice. Participatory needs analysis (PNA) has evolved over the last ten or so years in response to this dichotomy, between theoretical best practice and project based reality. Participatory needs assessment can be either a simple or complex tool through which to investigate the issues facing a community. However, the degree of complexity is seldom determined by the degree of inquisitiveness on the part of the inquirer. More mundane external factors such as the final date for proposal submission; the objectives of the donor; the extent

⁴ Fishworkers do not own the fishing gear, boats and engines that are used to catch fish, but engage in fishing as a wage labourer.

⁵ Fishermen own the fishing gear, boats and engines that are used to catch fish and engage in fishing.

⁶ Boat owners own the fishing gear, boats and engines that are used to catch fish but do not engage in fishing.

of the budget or the likelihood of acceptance usually decide the type of PNA applied. The more time that is available; the broader objectives of the donor; the larger the budget and the greater the certainty of acceptance, the more comprehensively investigative a PNA can be.

A comprehensive PNA can take up to a week or more to complete. Initial stages involve disaggregating primary, secondary and even tertiary stakeholder groups (the vertical and horizontal stratifications outlined above). This is typically followed by 'brainstorming' issues affecting individual stakeholder groups, identifying causes and converting these to 'needs'. Needs are rationalized, appraised financially and re-prioritized within the stakeholder group. Individual stakeholder group needs can then be presented collectively (i.e., with other stakeholder groups) and prioritized within a community. Finally, a tentative project concept and budget is developed and agreed by the community. At the opposite end of the PNA spectrum, a rapid PNA can be completed based on a series of interviews with less than a dozen individuals, targeting an *a priori* project intervention (i.e., credit) generating little more than a series of issues and problems adjudged to be pertinent in the village. The PNA data that forms the basis of Section 2 spans the full spectrum of applied PNA.

2. Pre-tsunami Issues

2.1 Forty Three Lagoon Fishermen's Cooperative Societies in Ampara and Batticaloa

Office bearers, administration committee members and general members (all male) from 43 Fishermen Cooperative Societies (FCSs) were interviewed by field staff from Sewalanka Foundation's district offices in Ampara and Batticaloa between December 2003 and November 2004. The data was collected as part of the field research towards the development of fisheries livelihood development project proposals, which were subsequently submitted to international donor agencies. A total of seventeen issues were highlighted by respondents (see Table 4.1). Issues have been ranked within each survey on the basis of the frequency with which individual issues were raised by respondents from each FCS, within each survey.

Access to formal credit and the high rates of interest associated with informal credit (e.g., 120 per cent – 240 per cent, per year) emerged as the greatest concern in three out of five surveys and across the data as a whole. Financial support to replace nets and gear destroyed during the civil conflict was a first priority issue in the remaining two surveys and was prioritized second overall. Institutional strengthening of the FCSs appeared as a second or third placed issue in three of the five surveys. Three out of five surveys highlighted the need for a FCS building. A meeting place for the FCSs was a common issue prioritized by respondents in all five surveys. The impact of illegal fishing techniques was the only other issue to be given significance in all five surveys, appearing in the top five issues in all five surveys.

Table 4.1

A Summary of Issues Highlighted by Fourty Three Lagoon Fishing Communities in the Districts of Ampara and Batticaloa between December 2003 and November 2004

Issues	03 FCS / Nov '04 Batticaloa	04 FCS / Mar '04 Batticaloa	03 FCS / July '04 Batticaloa	23 FCS / Jan '04 Ampara	10 FCS / Dec '03 Batticaloa
1 Nets and canoes damaged in the conflict	1 st	4 th	1 st	2 nd	8 th
2 Access to formal credit / high rates of interest for informal credit	2 nd	1 st	2 nd	1 st	1 st
3 Institutional strengthening and capacity of FCS	3 rd			3 rd	2 nd
4 Lack of support from DFOR / DOC	3 rd				
5 Illegal fishing in the lagoon is decreasing fish catches	4 th	5 th	4 th	4 th	4 th
6 The FCS has no meeting place	5 th	2 nd	3 rd	5 th	3 rd
7 Decreased fish production due to mangrove destruction by the conflict / firewood collection	6 th			6 th	5 th
8 Access to / from the village due to poor quality of internal roads	7 th			10 th	
9 Villagers have inadequate access to safe drinking water	8 th			7 th	8 th
10 Villagers do not have toilets	9 th				8 th
11 No alternative employment opportunities for youth	10 th				
12 Fishing families can not afford to construct permanent houses	11 th	2 nd		9 th	6 th
13 Vocational Training				8 th	
14 Security restriction by GoSL limit fishing opportunities					8 th
15 Restriction limit fishing opportunities by LTTE		5 th			
16 Encroachment by other local or migrant fishermen		5 th			7 th
17 Erosion and flooding					8 th

2.2 Three Coastal Fishing Communities in Jaffna

Seventeen issues were also identified during a PNA conducted by Sewalanka Foundation field staff from its Jaffna District office in May 2003. Male and female members of three FCSs, representing coastal fishing communities in Jaffna, participated in the three day programme. In each one day assessment 'issues' affecting the community were identified by two sub groups A and B. The original intention was for sub group B to comprise only women. The reluctance of women to actively participate as a separate stakeholder group resulted in only one all-women sub group being formed (V3B). Issues identified by each sub group were prioritized by the participants in each group, each of whom was given five 'pebble votes'. The results of voting within each group were discussed between groups and summarized into a participatory village needs analysis. The data collected from the three villages is presented in Table 4.2.

Access to formal credit to purchase boats, engines and nets was accorded the highest priority across the study, gathering 42 per cent of the 'vote'. Financial assistance to reconstruct houses and repair houses damaged by the civil conflict emerged as the second most important need overall. Transport facilities to Jaffna and from Jaffna to Colombo for fish caught by the respective communities was given third preference in the list in the study. Issues relating to security restrictions, social infrastructure (pre-school and wells) and alternative employment opportunities / vocational training made up the remaining top seven places in the analysis.

Table 4.2
A Summary of Issues Identified Through PNA with
Three Coastal Fishing Communities in Jaffna District in May 2003

Issues	V1A	V1B	V2A	V2B	V3A	V3B	Total	%
1 No access to credit to buy boats, engines and nets	45	57	19	12	24	24	181	42%
2 Destruction / damage to houses; no toilets	52	9	5	7	13	1	87	20%
3 No transport facilities for fish to and from Jaffna	1	16	5	3		6	31	7%
4 Security restrictions prevent fishermen from fishing			9	13		3	25	6%
5 There is no pre-school in the village	1		5	5		10	21	5%
6 Women and men have no other skills or opportunities to generate income	6		2		5	4	17	4%
7 Insufficient number of DW wells in the village		7	2		6	2	17	4%
8 Coral growth prevents fishermen going to sea						14	14	3%
9 Library building has been destroyed		2				8	10	2%
10 The road through the village is damaged and floods	9						9	2%
11 No electricity, road lights and Lighthouse					5	1	6	1%
12 No market building in which to sell fish			3		2		5	1%
13 FCS has no office or meeting place		2				2	4	1%
14 There is no teacher at the local school	3						3	<1%
15 No access to credit for agriculture inputs	3						3	<1%
16 There are no facilities to store fish		2					2	<1%
17 The fishermen's wadiya has been destroyed								
	120	95	50	40	55	75	435	

2.3 Seven Coastal Fishing Communities in Hambantota

In July and August 1998 field staff from Sewalanka Foundation's Hambantota district office conducted an extensive participatory needs assessment with seven coastal fishing communities in the district. As many as nine individual stakeholder groups were identified in each village. Separate participatory needs assessments were conducted with stakeholder groups in each village. The results from five of these stakeholder groups are presented in Table 4.3. Issues have been ranked within stakeholder groups, based on the frequency with which an issue was raised by the equivalent stakeholder group, across all seven villages.

Youth: Inadequate access to education and the lack of qualifications and vocational training opportunities were key issues highlighted by youth (young men and young women) in the seven fishing villages. Insufficient employment opportunities within and outside the fisheries sector were given prominence in the analysis conducted with fishing community youth.

Women: The irregular nature of household incomes generated by fishing and indebtedness created by having neither personal savings nor access to formal credit institutions emerged as the first priority issue according to women taking part in the study. Access to health facilities and the general low awareness about health was the

second commonest issue raised. Issues related to the production of coir (i.e., technology, marketing, raw materials and training) were the third prioritized issue for women.

Fishworkers: The terms and conditions of labour was the most common issues raised by fishworkers across the seven villages taking part in the survey. Fishworkers highlighted that their salaries were low, job insecurity was high and alternative opportunities were limited. Fishworkers in the seven villages also highlighted access to formal credit as a key issue, explaining that lending agencies and FCS favour boat owners over fishworkers when providing loans. Third in the list of issues raised by fishworkers, were those relating to marketing of the catch. In particular, fishworkers expressed concerns about the lack of transparency surrounding the sale of the catch and the low prices and uncompetitive wholesale marketing system.

Boat Owners: Issues relating to marketing, in particular the lack of transparency surrounding the sale of the catch and low price and uncompetitive wholesale marketing were most frequently identified as having a negative impact by boat owners. A close second were the problems created by foreign vessels fishing inside Sri Lanka's EEZ, destroying nets and damaging Sri Lankan boats at sea. For boat owners the irregular nature of the income generated from fishing, indebtedness created by having no personal savings and inadequate access to formal credit institutions, was the third most frequent reported issue across the seven villages in the study.

Fish Vendors: Fish vendors were concerned almost exclusively with the wholesale and retail price of fish. The marginal profit options under which vendors operate were the most frequent issues raised by vendors. The role of 'mediators' in the marketing of fish was the second concern of fish vendors. Vendors alleged that 'mediators' were responsible for inflating the wholesale price of fish by operating from private landing centres. Vendors also alleged that wealthy fish merchants, who bulk buy fish, push up the wholesale price of fish. Fish vendors also expressed concerns about post harvest issues, cold storage and access to ice.

Important cross cutting issues for all stakeholders in the study, but which did not appear in the top three of any of the amalgamated stakeholder group summaries, included the lack of sanitary facilities and access to safe drinking water in the fishing communities, as well as drug addiction, liquor, smoking and gambling issues.

Table 4.3
A Summary of Issues Identified with Five Stakeholder Groups in Seven Coastal Fishing Communities in Hambantota District in August 1998

Issues	Youth	Women	Fish Workers	Boat Owners	Fish Vendors
1 Youth are forced to leave school early due to poverty	1 st	7 th	14 th		
2 No vocational or adult education opportunities	2 nd				
3 High unemployment within and outside the fisheries sector	3 rd	4 th			
4 No grants, credit or guidance to help youth initiate self employment	4 th				
5 No local sport facilities, clubs or equipment	4 th				
6 Lack of technical knowledge about fishing and related activities such as engine repairs and there are few new innovations	6 th		14 th		
7 No jobs are available commensurate with their academic qualifications	6 th				
8 Fishing youth have no other skills	8 th				
9 Young women face greater problems finding employment than men	8 th				
10 Lack of sanitary facilities	8 th	5 th	8 th		
11 Drug addiction, liquor, smoking and gambling in the community	11 th	3	14 th	9 th	
12 Access to safe drinking water	11 th	5 th	8 th		
13 Access to electricity	11 th				
14 Religious places are inactive. The local temple has no monk	11 th				
15 Irregular income from fishing, indebtedness, no experience of savings nor access to CBO or other formal credit		1 st	4 th	3 rd	4
16 Access to health facilities and low awareness about health issues	11 th	2 nd			
17 New technology, access to markets and training for coir production		3 rd			
18 No permanent housing		7 th	14 th		
19 Family problems in those families where the wife is working overseas		9 th			
20 Fishermen's wives have no knowledge of net repairs		9 th			
21 Women have no time for income generating activities		11 th			
22 Landlessness		11 th	14 th		
23 No access to financial assistance or training to start self employment		11 th			

Table 4.3 (Contd).

Table 4.3 (Contd).
A Summary of Issues Identified with Five Stakeholder Groups in Seven Coastal Fishing Communities in Hambantota District in August 1998

Issues	Youth	Women	Fish Workers	Boat Owners	Fish Vendors
24 Foreign vessels fishing inside the EEZ are destroying nets and damaging boats.			8 th	2 nd	
25 Terms and conditions of labour are poor, salaries are very low, job insecurity is high			1 st		
26 Marketing issues, low price, uncompetitive, lacks transparency			3 rd	1 st	
27 Fishing is a high risk occupation			12 th		
28 Lending agencies and fisheries cooperatives only provide loans for <i>mudalali</i> and not for fishworkers			2 nd		
29 Decreasing catches due to over fishing and competition between gears			4 th	6 th	
30 Seasonal employment. During the off season fishworkers have no alternative forms of employment			8 th		
31 Use of illegal nets is damaging the fishery			4 th	1	
32 Post harvest issues, cold storage and access to ice			4 th	7 th	3 rd
33 Lack of harbour facilities			14 th	7 th	
34 Need to diversify gear. Most boats are fishing with only one gear type			12 th		
35 High cost of repairs for boats and engines and no local facilities,				3 rd	
36 Increasing costs of inputs and low catches make fishing uneconomic				3 rd	
37 Lack of modern technologies, engines and boats				3	
38 Security issues in relation to LTTE				9 th	
39 Wholesale prices are increased by 'mediators' operating from private landing centres and by fish merchant who bulk buy fish					2 nd
40 Vendors operate at marginal profits, highly variable wholesale price, high competition between vendors selling at different prices					1 st
41 Bicycles vendors can not compete with motorcycle vendor					4 th
42 No market for lagoon fish when sea fish catches are high					5 th
43 Motorcycle repair problems					6 th

3. Post-tsunami-Issues

The emphasis on 'software issues', which dominated the priority lists of fishing communities surveyed before the tsunami presented in Section 2.1, is continued in this section. Two social issues that have arisen during the emergency relief phase of livelihood recovery in the fisheries sector over the past eleven months are introduced and discussed in this section. The two questions to be discussed are:

- Q1 To What Extent are FCSs Valid Representatives of the Fishing Community?**
- Q2 Have the Needs of Genuine Tsunami Affected Boat Owners and Fishermen Been Met under the Emergency Tsunami Relief Phase?**

3.1 Q1: To What Extent are FCSs Valid Representatives of the Fishing Community?

The first question has arisen recently as organizations have sought to identify suitable community based organizations (CBOs), through which to begin to investigate the livelihood needs of selected fishing communities. The potential for confusion stemming from the inherent heterogeneity of fishing communities has already been highlighted (see 1.1 above). Even organizations aware of this complexity have expressed their concern about the extent to which FCSs actually represent the fishing community. First impressions are often quite important so it is not all that helpful when the office bearers of a typical FCS turn out to be all men, who own boats, generally don't fish and who live in brick built houses some distance from the beach. The immediate response to this should perhaps be to ask just how surprising this is?

Examining gender first, in Muslim fishing communities on the east coast, women's role in fisheries is severely limited. A small number of poor Muslim women do engage in post harvest processing of fish. In stark contrast, women in the Catholic fishing villages on the west coast are a highly visible and an integral part of both the retail fresh fish trade and post harvest processing. In the fishing villages of the predominantly Tamil north and mostly Buddhist south, women's role in the fishery sector is somewhere in between the two lateral positions. In addition to these roles, a small number of women are actively engaged in fishing, mostly as lagoon fisherwomen. There are also a small number of female boat owners throughout the country, operating in several sub sectors. This stakeholder group has increased recently due to the selective targeting of tsunami widows by several international NGOs. In view of the above it is probably that more than 95 per cent of individuals actively engaged in harvesting fish in Sri Lanka are male. Given the dominance of men in the fishery sector in Sri Lanka, it should not be too unexpected to find that the office bearers of the average FCS are all male.

The route to boat ownership within the fishing community usually takes one of two paths. Within families, fathers hand over fishing assets to their sons or their male relatives; less commonly so from mothers or to daughters. Often the son will have worked as a fishworker on the family owned boat. The second path is through the gradual accumulation of wealth by a successful fishworker, who then becomes a fisherman. In the mechanized boat sector in particular there is a strong tendency for fishermen to become boat owners. Fishing is unpleasant and working conditions associated with fishing are dangerous. The surplus of cheap labour in the fisheries sector means that there are always many individuals willing to work as fishworkers. This and the profitability of mechanized boat fishing are sufficient to convince most fishermen that switching to the status of a boat owner is a wise thing to do.

Age may also play a part. By the time a fishworker has earned enough to become a fisherman, he may well feel his time is more wisely spent on shore, while younger fishworkers face the risks and rigours of catching fish. Wealthier, with more status within fishing communities and likely to be older in years too, again perhaps it should not be so alarming to discover that a society's office bearers are dominated by boat owners and fishermen, as opposed to poorer and younger fishworkers.

The contention that FCSs are not valid representatives of the fishing community arises perhaps from organisations and agencies tendency to focus too much on individuals 'representing' the society, rather than on the FCSs themselves. Table 4.4 summarizes membership data collected from 24 FCSs in four DS Divisions in Ampara District in August 2005, again by field staff from Sewalanka Foundation.

Table 4.4
A Summary of Membership Data Collected from 24 FCS in Four DS Divisions in Ampara District in August 2005

DS Division	No. FCSs	Membership		Boat Owners / Fishermen	Fishworkers	
		Total	Active		Total M	Active M
Pottuvil DS	8	981	745	193	80%	74%
Thirukovil DS	8	1,415	733	136	90%	81%
Sainthamaruthu DS	6	580	343	58	90%	83%
Kalmunai DS	2	191	114	15	92%	87%
Total	24	3,167	1,935	402	87%	79%

The 24 societies had a combined membership of 3,167 members, of whom 1,935 (61 per cent) were considered by the societies to be active members. Of the total membership, only 402 individuals owned boats. Almost 90 per cent of the members of the 24 societies were fishworkers (either full time or part time). This figure falls to just less than 80 per-cent, if only active society members are considered. No data was collected to investigate the number of boat owners, fishermen, or fishworkers who lived in the selected villages, but were not members of the society. Neither was data robust with regard to women's participation. However, the data presented in Table 4.4 indicates that among 24 FCSs in four DS Divisions in Ampara district over 80 per cent are fishworkers. Working in collaboration with FCSs in these villages would clearly have a positive impact on the lives and livelihoods of fishworkers.

The data in Table 4.4 argues in favour of FCSs as valid representatives of the active fishing contingent of a fishing community. Further support for this argument can be deduced from the acceptance granted to FCSs by local and national government administrations. At the level of the District and Divisional Secretariats, the FCSs are recognised by the Divisional Secretaries and District Secretaries as representatives of their respective fishing community. The Department of Fisheries Resources works exclusively through FCS, which are registered under the Cooperative Act. As a direct result FCSs fall within the mandate of the Department of Cooperatives. Even in areas of the north and east, which are under the control of the Liberation Tigers of Tamil Eelam (LTTE), FCSs are recognized by the LTTE as representing the fishing community.

If the LTTE acknowledges the legitimacy of FCSs, why does not the NGO community? Ineffectiveness and politicisation tend to be two additional concerns that are commonly expressed by organisations and agencies in relation to working with FCSs. Table 4.5 presents data collected as part of a CBO Assessment⁷ carried out by Sewalanka Foundation field staff of 79 FCSs in the eastern districts of Batticaloa and Ampara in June 2005. As the data makes clear, FCSs are generally very weak CBOs. More than half of those surveyed were classed as Stage 0⁸ CBOs; inactive even though many were in fact in receipt of CBO development assistance from Sewalanka Foundation. Of those classified as Stage 1⁹ CBOs all had received CBO development assistance for

Table 4.5
The Results of CBO Assessments Carried out by Sewalanka Foundation Field Staff of 79 FCSs
in Batticaloa District and Ampara District in June 2005

	Batticaloa			Ampara		
	All	CBO Stage 1	CBO Stage 0	All	CBO Stage 1	CBO Stage 0
No. FCSs	25	12	13	54	24	31
%		48%	52%		44%	56%
Total Members	3,042	1,028	2,014	2,594	1,106	1,488
Active Members	2,036	810	1,226	No Data	No Data	No Data
Active Members %	67%	79%	61%			
Total Value (TV)*	2,572,679	1,766,146	806,533	7,911,639	5,550,881	2,360,758
Av TV per FCS	102,907	147,178	62,041	146,511	231,286	76,153
Total Cash	2,138,679	1,332,146	806,533	3,027,089	2,434,331	592,758
Av Cash per FCS	85,547	111,012	62,041	56,057	101,430	19,121
Av Cash Total Members	703	1,295	400	1,166	2,201	398
Av Cash Active Members	1,050	1,644	658	No Data	No Data	No Data

Note: All financial statements are in Sri Lanka Rupees (LKR). LKR 1.00 = US\$ 99.00 at the time of the survey.

⁷ The CBO Assessment focuses on administration, management, financial management, participation, savings and micro credit using a series of 'Checklists' that enable CBOs to be classified according to a fairly arbitrary measure of CBO Development. However, by adopting a system of 'classification', field staff and CBO members are much more able to identify the 'next step' required to strength a particular CBO.

⁸ CBO Stage 0 is defined as an 'inactive CBO'; one that has incomplete CBO Book Set (14 books); an administration fund, but no CBO micro credit programme.

⁹ CBO Stage 1 is defined as a 'functional CBO'; one that has an incomplete CBO Book Set (22 books); an administration fund, manages a CBO micro credit programme, but does not have a project based micro credit fund. 50 per cent or more of members are active.

more than one year from Sewalanka Foundation field staff. None of the FCSs assessed could be classified as either Stage 2¹⁰ or Stage 3 CBOs.¹¹

Active participation ranged from 60 per cent to almost 80 per cent within the FCSs assessed. In Batticaloa district there was a strong positive correlation between institutional capacity building of FCSs and increased participation. The average total value of an FCS (capital plus assets) ranged from LKR 102,907 in Batticaloa district to LKR 146,511 in Ampara district. In both districts there was a strong positive correlation between CBO development and average total value of the FCS.

The average cash value of each FCS followed a similar pattern, with FCSs in Batticaloa district having access to LKR 85,547 and LKR 56,057 in Ampara district. Again the correlation between CBO development and increased access to the CBO's own finances was strong in both districts. This pattern in the data continued with respect to the amount of finance available to individual members (all members and active members only). CBO Stage 1 FCSs in Ampara district had financial assets equivalent to LKR 2,201 per member for all members, while in Batticaloa district CBO Stage 1 FCSs could make available LKR 1,295 to each member, rising to LKR 1,644 for active members only.

The concerns expressed by organizations and agencies that FCSs are highly politicized is less easy to assess. Given the breadth and depth of political influence and political patronage at all levels of Sri Lankan society, it would be quite surprising if FCSs were not affected! A much more pertinent question to ask would be to what extent are FCSs politicized because they are institutionally weak CBOs? The contention that institutionally strengthened FCSs are less politicized is worthy of further investigation.

3.2 Q2: Have the Needs of Genuine Tsunami Affected Boat Owners and Fishermen Been Met Under the Emergency Tsunami Relief Phase?

The second issue which has arisen following the tsunami and that is addressed herein relates to the impact of the emergency livelihood assistance that has been delivered to date by multilateral, bilateral, international, national, local and private organizations, agencies and individuals. In particular, have the needs of genuine tsunami affected boat owners and fishermen been met under the emergency tsunami relief phase?

According to data compiled by UN FAO in October 2005 (see Table 4.6), a total of 28 donors in Batticaloa district and 49 donors in Ampara district have delivered (or are planning to deliver) fishing craft to tsunami affected boat owners and fishermen in the two districts. In four of the five sub sectors surveyed the final number of craft that will be delivered, exceeds the estimated number destroyed by between 19 per cent and 107 per cent. Only the number of beach seines planned to be delivered in Batticaloa district is lower (by five craft) than the estimated number destroyed. Given the data it is understandable that both the UN FAO and the Ministry of Fisheries Resources (MFAR) are strongly cautioning against the supply of any additional fishing craft. However, in many fishing villages in Ampara district and in Batticaloa district, tsunami affected boat owners and fishermen are still complaining that their needs for replacement craft and engines have yet to be met.

¹⁰ CBO Stage 2 is defined as an 'active CBO'; one that has an incomplete CBO Book Set (28 books); an administration fund, manages a CBO and project based micro credit programme, but does not access other sources of formal credit (i.e., MFI or banks) 80 per cent more of members are active.

¹¹ CBO Stage 3 is defined as an 'independent or networked CBO'; one that has a complete CBO Book Set (34 books); an administration fund, manages a CBO, project based micro credit programme and accesses other sources of formal credit (i.e., MFI or banks). 95 per cent or more of members are active.

Two explanations to this apparent conundrum seem possible. The first is that, as indicated in Table 4.6, the replacement craft for these tsunami affected boat owners and fishermen are 'on the way'. That is to say they have been ordered and are simply waiting to be delivered either by the boat yards or the donors concerned. The delivery of beach seines in Batticaloa district and Ampara district, FRP boats in Batticaloa district and one day and multi-day boats in both districts by donor agencies, under the emergency relief phase of livelihood recovery, is still in the 'planning stage' - eleven months after the tsunami. It could be argued then, that the needs of tsunami affected boat owners and fishermen, who have yet to have their craft and gear replaced, will be met once the delivery and distribution of these craft is complete.

Table 4.6
A Summary of Craft Destroyed, Planned and Delivered by Donors in Ampara and Batticaloa According to UN FAO October 2005

	Traditional		Beach Seines		FRP		One Day Boats		Multiday Boats	
	No.	%	No.	%	No.	%	No.	%	No.	%
Batticaloa										
Destroyed	2,107		119		494		4		-	
Planned	2,507	119%	114	96%	592	120%	5	125%	-	
Delivered	2,116	100%	57	48%	97	20%	-	0%	-	
No. Donors	28	9	7		10		2			
Ampara										
Destroyed	1,479		110		358		43		1	
Planned	2,202	149%	159	145%	636	178%	89	207%	1	100%
Delivered	1,655	112%	69	63%	350	98%	-	0%	-	0%
%No. Donors	49	16	11		18		3		1	

However this response does not apply in the case for traditional craft in Ampara district and Batticaloa district and FRP boats in Ampara districts. According to the data in Table 4.6, sufficient numbers of these craft have been delivered to replace more than 98 per cent of those destroyed. This data implies that enough craft have been delivered to meet the needs of tsunami affected traditional and FRP boat owners and fishermen. How can the complaints of tsunami boat owners and fishermen be reconciled with the data for replacement craft?

A second possible explanation to the problem posed by tsunami affected boat owners and fishermen who claim they have yet to have their craft and gear replaced, is that replacement fishing craft have been distributed, by donors, to individuals who did not own fishing craft or gear before the tsunami. Data in Table 4.7 was collected in September 2005, during a rapid survey of 24 FCSs in Ampara district by Sewalanka Foundation field staff. The intention was to begin to explore this troubling issue in more detail. The data was collected

directly from the administration committees of the 24 societies concerned and has yet to be fully corroborated¹² against the UN FAO data.

Representatives of the 24 FCSs claimed that only between 16 per cent and 34 per cent of their members' needs for replacement boats, nets and engines, had so far been met under the emergency relief phase (exclusive of one day boats and beach seines). The data presented in Table 4.7 does not contradict the data in Table 4.6, rather it suggests that the beneficiaries of fishing craft delivered under the emergency relief phase, were not tsunami affected boat owners or fishermen from the 24 FCSs surveyed.

Data in Table 4.7 supports this proposition. According to the data collected, 53 new lagoon canoe boat owners, five new sea canoe boat owners and 27 new FRP boat owners were created by the distribution of fishing craft by the 21 donors listed in Table 4.7. These were, according to the FCSs' representatives, individuals within each society who did not own a boat before the tsunami (i.e., they were fishworkers).

These individuals were gifted new fishing craft by donors under the emergency relief phase. At the same time, there were (and apparently still are) genuine tsunami affected boat owners and fishermen who have not received replacement craft in each society.

In subsequent discussions with several society members, it was suggested that the distribution of craft under the emergency relief phase was not limited to assisting tsunami affected fishworkers within each society. FCS representatives alleged that a number of individuals in each village, not engaged in fishing in the village, also received replacement fishing craft. These individuals were in some way able to access fishing craft gifted by NGOs and donors under the emergency relief phase of the tsunami recovery.

¹² A third explanation to this problem is of course that boat owners and fishermen claiming to have not received replacement craft under the emergency phase, did not own them before the tsunami.

Table 4.7
A Summary of Data Collected in September 2005 to Investigate the Distribution of Fishing Assets under the Emergency Relief Phase with 24 FCS in Ampara District

DS Division	Pre-tsunami	Replacement	Up/down graded	New Boat Owners	Deficit	21 Donors	
Kalmunai DS02 FCS	15 FRP	12 FRP	-	-	3 FRP	<ul style="list-style-type: none"> • Indian NGO • Church • USAID 	
	15 OBM	11 OBM	-	-	4 OBM		
	30 Net Sets	12 Net Sets	-	-	18 Net Sets		
Sainthamaruthu 06 FCS	30 Sea Canoes	-	-	-	30 Sea Canoes	None	
	24 FRP	-	-	-	24 FRP		
	4 28' ODB	-	-	-	4 28' ODB		
	44 OBM	-	-	-	44 OBM		
	4 IBM	-	-	-	4 IBM		
Thirukovil DS08 FCS	87 Lagoon C	43 Lagoon C	-	51 Lagoon C	44 Lagoon C	<ul style="list-style-type: none"> • OXFAM • ZOA • CORDAID • MP • GMSL • STF • The Church • USAID 	
	41 Sea Canoes	4 Sea Canoes	28 FRP	-	9 Sea Canoes		
	20 FRP	14 FRP	1 Sea C.	22 FRP	5 FRP		
	45 OBM	39 OBM	-	18 OBM	6 OBM		
Pottuvil DS 08 FCS	37 Lagoon C	14 Lagoon C	-	2 Lagoon C	23 Lagoon C	<ul style="list-style-type: none"> • GoSL • COOPI • JICA • UNDP • SOS • Ceylinco • The Church • NDB • Mercy Corpse • Rotary • Private • Arugam Bay FA • Movimondo 	
	2 Madel Vallam	1 Madel	-	-	1 Madel Vallam		
	40 Sea Canoes	2 Sea Canoes	4 FRP	5 Sea Canoe	32 Sea Canoes		
	114 FRP	13 FRP	-	5 FRP	101 FRP		
	136 OBM	27 OBM	-	9 OBM	109 OBM		
	6 Madel Net	1 Madel Net	-	-	5 Madel Nets		
	630 Net Sets	48 Net Sets	-	9 Net Sets	582 Net Sets		
Lagoon Canoes	124	47	-	53	87	30%	Needs Met
Madel Vallam	2	1	-	-	1	50%	
Sea Canoes	111	6	32	5	74	34%	
FRP	173	39	1 Sea C.	27	133	23%	
28' ODB	4	-	-	-	4	0%	
OBM	240	77	-	27	163	32%	
IBM	4	-	-	-	4	0%	
Madel	6	1	-	-	5	17%	
Net Sets	925	151	-	-	774	16%	

Support for this argument, that the distribution of craft under the emergency relief phase was not limited to assisting tsunami affected fishworkers, can be drawn from an examination of the distribution mechanism experienced by the members of FCS X, in fishing village Y, in tsunami affected District Z. This information was collected during an informal discussion with society members in November 2005. Fishing village Y received assistance to replace fishing craft destroyed by the tsunami, from international and national organizations mediated by four very different approaches.

Approach A did not involve direct distribution at all. Financial assistance received by a local NGO A established after the tsunami was used by NGO A to buy fishing craft. NGO A then leased these fishing craft to members of the fishing community in village Y. No discussion was held with FCS X to select suitable tsunami affected beneficiaries. Tsunami affected boat owners, fishermen and fishworkers in Village Y were required to sign a contract with NGO A in which they agreed to pay a fixed sum each week to NGO A. This sum was to be deducted from total cost of the craft. Until the total cost of the craft had been paid, the ownership remained with NGO A. Upon completion of the final payment the boat owner / fishermen / fishworker would own the craft and gear.

Approach B involved a small group of private international donors and an established national NGO B. Under this distribution mechanism funds made available to NGO B were used to meet the needs of both male and female tsunami affected members of FCS X. Fishing craft and gear were purchased by NGO B and handed over to FCS X. FCS X delivered the craft and other inputs to selected tsunami affected boat owners, fishermen and women members of the society. The assistance was provided under Approach B was on a 100 per cent grant basis (i.e., given freely).

The third approach to distributing fishing craft experienced by members of FCS X (Approach C) involved a government department D and bilateral donor E. Following this approach to the distribution of emergency relief, to be eligible, potential beneficiaries had to make an advanced deposit of 12.5 per cent of the total cost of the craft and gear, to the departmental officer concerned. Boat owners and fishermen affected by the tsunami within the society as well as non fishing members of village Y received fishing craft, engines and gear, as emergency relief, on a 87.5 per cent grant basis, under Approach C.

The final approach to which the members of FCS X were subjected, Approach D, was adopted by pre tsunami NGO F, co-financed and supported by an international NGO G. Under this approach, FCS X was asked to identify tsunami affected boat owners and fishermen. The beneficiary list was publicly verified by the members of the society. Distribution of fishing craft and gear was made on a part grant (60 per cent), part credit (40 per cent) basis, as part of a longer term livelihood development initiatives. The capital repayments of the credit component are to be made to FCS X's Administration Fund. Capital repayments have been deferred for six months. Interest repayments of 2 per cent were agreed by the selected beneficiaries from FCS X and the national NGO F. Half of the interest repayment (i.e., 1%) will be remitted to the NGO F, by FCS X, to meet its future extension costs.

The examples given above represent four very different approaches to the distribution of fishing craft under the emergency relief phase. Representatives of FCSX explained that each approach has had a significantly different impact in terms of meeting the needs of tsunami affected boat owners and fishermen in FCS X. The data presented in Tables 4.6 and 4.7 indicate that there is a variance between 'fishing craft delivered as emergency relief' and its impact in 'meeting the needs of boat owners and fishermen who lost fishing assets due to the tsunami'. The experience of just FCS X in district Z provides an initial insight into how this discrepancy may have come about.

4. Challenges

As the title of this paper makes clear, the most immediate challenge facing organizations and institutions is to integrate both pre and post tsunami issues into plans for long term livelihood development activities in the fisheries sector. Simultaneously, organizations and agencies need to grasp and respond appropriately to the different issues facing the fisheries sector in the north, east, south and west of the country. This complexity is further exacerbated by horizontal (i.e., craft based sub sectors) and vertical (i.e., social, economic and culture) stratification in the fishery sector, which affects all individuals directly engaged in catching or marketing fish, as well as ancillary workers and all their families. The 'one-size' fits all approach that has dominated the emergency relief phase of the response to the tsunami needs to be swiftly replaced by more locally sensitive interventions. Unless this happens, post tsunami livelihood development activities will not make a meaningful contribution to either local or national livelihood development initiatives.

The discussions held with fishing communities, summarized in Section 2.1 highlight the diversity of issues that affected fishing communities in the north, the east and the south, prior to the tsunami. Lagoon fishermen on the east coast drew attention to the legacy of 20 years of civil conflict; their inability to access formal micro credit; the institutional weaknesses of their societies and fishery management issues including the use of illegal fishing gear and mangrove destruction. Access to micro credit was an important issue for coastal fishermen and women in the north too. Addressing the affects of the conflict on fishing assets and social infrastructure were also prioritized by northern fishermen and women.

In the south, access to micro credit and the institutional weaknesses of FCSs were common issues for fishworkers, boat owners and women in seven selected fishing communities. Youth on the other hand were more preoccupied with their low educational opportunities and achievements. Young men and young women also highlighted inadequate opportunities for vocational training, to take them out of the fisheries sector altogether. Health issues were important for women, labour conditions a priority for fishworkers, while boat owners expressed concerns about fishery management issues (e.g., increasing over fishing and the incursion of foreign vessels into Sri Lanka's EEZ). Less surprisingly perhaps, fish vendors were preoccupied with issues related to either the wholesale or the retail marketing of fish. Marketing arrangements were a concern too for fishworkers in relation to the transparency of marketing transactions. Boat owners were more concerned with the low wholesale price.

Having warned against making generalizations with respect to the fishery sector in the opening paragraph, I will now make a couple of my own. Access to micro credit, the ineffectiveness of FCSs and inadequate fishery management arose as priority issues in all three analyses with fishing communities in the north, the east and in the south, prior to the tsunami. Addressing the impact of the civil conflict was a priority issues for lagoon and coastal fishing communities in the north and east. These kinds of general statements are valid only in relation to the data presented in Section 2.1.

Although these kinds of general statements are interesting from a theoretical perspective, they are less relevant at the practical level. When it comes down to implementation, it is evident from the data in Section 2.1 that location specific issues facing fishing communities, the variation between geographic regions and between sub sectors necessitate in-depth analyses.

Two topics were taken up for investigation in Section 2.2 as examples of post tsunami issues highlighted by organizations currently engaged in the delivery of emergency relief in the fisheries sector. The first of these appears to have its roots in a problem identified by fishing communities before the tsunami. Fishermen's Cooperative Societies (FCSs) are institutional weak community based organizations (CBOs). FCSs have only a limited management capacity and currently deliver few, if any, services to their members. The data presented in Section 2.2 contradicts the contention that FCSs are unrepresentative of their fishing community; at least in terms of individuals directly engaged in catching fish. Analysis of the membership of seventy nine FCSs revealed that fishworkers comprised between 80 per cent and 90 per cent of the membership.

The common observation that the administration committees of most societies are dominated by male boat owners (and fishermen); that some societies are politicised and only a few have active female members, is accepted as generally true. It is argued herein that the 'current status' of FCSs needs to be understood in relation to the overall capacity of FCSs, which is that the majority are completely ineffective CBOs. The challenge presented by the widespread failure of FCSs to function as effective CBOs in Sri Lanka, delivering services on behalf of their members is a little bit, 'either or'. Either the task for organizations and agencies is to set about addressing the institutional weaknesses and strengthening the management capacity of existing FCSs. Or it is to develop new CBOs to represent the fishing community.

That FCSs can function as effective CBOs in Sri Lanka, representing their membership locally, divisionally and nationally; delivering services and providing access to micro credit is evident from the continuing success of the Northern Province Fishermen's Cooperative Societies Union Ltd.¹³ The alternative, to establish new CBOs to represent fishing communities is being actively pursued by the National Fishermen's Solidarity Organization.¹⁴

The second of the two topics addressed in Section 2.2 is slightly contentious. Data that continues to be collected and presented monthly by the UN FAO indicates that the estimated number of fishing craft already distributed as part of the emergency relief response, exceeds the estimated number of craft destroyed by the tsunami. This statement is held to be true for several sub sectors in both Ampara district and in Batticaloa district. Further, the estimated number of craft that will be finally distributed will exceed the estimated number destroyed by anything by between 19 per cent and 107 per cent. As if this is not worry enough, I would argue that the UN FAO's estimate of the number of boats actually delivered is conservative. It does not fully take into account the numerous *ad hoc* donations of 'one boat here, one boat there', which have been made by numerous private individuals. The conclusion drawn from this data is that there are now enough boats and more in the fishery sector, as a result of the emergency relief response of replacing fishing craft destroyed by the tsunami.

This assertion is disputed by data collected from 24 FCSs in Ampara district in September 2005. According to members of these societies, less than 35 per cent of the needs of tsunami affected boat owners and fishermen have been met under the emergency relief phase (exclusive of beach seine and one day craft). If the society data

¹³ 100, Main Street, PO Box 41, Jaffna. Reg No. J.E. 179 of 21.09.1959. Contact: R. Rajaram, General Manager. Tel: 021 2222 347.

¹⁴ Contact Herman Kumara, NAFSO Convener. Email: fishmove@slt.lk

is correct, it implies that there is a significant discrepancy between the data. To take a single example, one data set indicates that for FRP boats in Ampara district almost 98 per cent of FRP craft destroyed have been replaced – with another 80 per cent more to be delivered. In contrast, the FCSs data suggests that less than 25 per cent of tsunami affected FRP boat owners and fishermen within the 24 societies have received replacement FRP craft. If this is a true reflection of the situation on the ground, who received the other 75 per cent that have been delivered? Who is going to receive the incoming 80 per cent?

Data collected from the societies provides one explanation for the obvious confusion. This data indicates that within the 24 societies canvassed, 85 new boat owners were created under the emergency relief phase. These individuals were fishworkers before the tsunami. They were subsequently gifted boats by international and national donors and have become fishermen or boat owners. At the same time the needs of tsunami affected boat owners and fishermen in these 24 FCS went unmet.

The approaches adopted by governmental, national and international organizations and agencies to distribute fishing craft to FCS X, under the emergency relief phase, sheds more light on confusion surround the two sets of data. Out of the four approaches employed to identify beneficiaries, only two engaged with the FCS X to select and verify suitable boat owners and fishermen. The other two approaches excluded FCS X from the selection procedure. These two approaches also required the beneficiaries to make payments to 'intermediaries' in order to receive craft as emergency relief. FCS X members alleged that under this mechanism, individuals from both outside the society and of the community benefited from the distribution of fishing craft as emergency relief. Tsunami affected boat owners and fishermen, who could not afford the deposit or make monthly payments, did not receive replacement fishing craft under the emergency relief phase.

An immediate challenge facing international and national organizations and agencies within this context is to begin to verify the distribution of assorted fisheries hardware under the emergency relief phase. This is clearly necessary as a prelude to embarking on long term livelihood recovery with selected fishing communities. It must also be acknowledged that the utility of national and district summaries of craft destroyed, delivered or planned in this regard is diminishing. The prominence that has been given to this data in the past needs now to be reconsidered. A revision of this database is now required. One which is more easily verifiable, includes data collected from and certified by individual fishing communities, organizations and other agencies.

Throughout the emergency phase, the opinions and experiences of boat owners, fishermen and fishworkers (and women and youth and the elderly in fishing communities), have been largely absent from district and national coordination meetings. These meetings have strongly influenced local and national decision making in the fishery sector since the tsunami. A key challenge facing governmental, international and national organizations is to now give up some of this space. In doing so they should also strive to create opportunities for representatives of fishing communities to play a greater part in decision making regarding the development of their future livelihoods.

The emphasis of this concluding section has been very much on the need to focus on issues affecting individual fishing communities, sub sectors within communities and stakeholder groups within sub sectors. However, if you spend too much time focusing in, it can be difficult to see where you are going! For individual organizations and project activities it is fundamental that issues at the community level take precedence. Yet at the same time it is important to remember that fishing communities in Sri Lanka are intrinsically linked through their collective exploitation of a shared resource (i.e., fish). Muslim fishermen do not catch Muslim fish nor Tamil

fishermen, Tamil fish. Adjacent communities have a common interest and are already aware (see Section 2.1) of the need to sensibly exploit Sri Lankan fish resources. The migratory nature of many species caught by Sri Lankan fishermen, means that fishermen in the south have a vested interest in promoting responsible fishing in the north and *vice versa*.¹⁵ The ultimate challenge facing organizations committed to developing livelihoods in the fisheries sector, with all the financial resources and freedoms that are available as a consequence of the tsunami is to make sure those livelihoods are sustainable.

¹⁵ The promotion of community based management mechanism for fishery management in Sri Lanka is likely to be extremely difficult because, as is pointed out in section 3.1, the majority of FCSs are institutionally extremely weak CBOs.

Annex 1

Agenda of Livelihoods Post Tsunami: Build Back Better?

Organized by the Institute of Policy Studies of Sri Lanka (IPS)
with support from ILO and UNDP
1-2 December, 2005
Committee Room A, BMICH, Colombo

1 December 2005

1330 – 1400: Registration

1400 – 1515: **Session 1: Livelihoods and the broader context: economic, social, cultural and political challenges and opportunities**

Chair: **Dr. Dushni Weerakoon (Deputy Director, Institute of Policy Studies)**

- **Welcome statement (Mr. Abu Selim, Country Director, UNDP)**
- **Information on tsunami affected livelihoods – Susantha Katukurunda (Economic Recovery Expert, International Labour Organization)**
- **Draft one year review of tsunami livelihood activities – Dr. Johanna Boestel (Asian Development Bank)**
- **Discussion**

1515 – 1530: Tea/Coffee Break

1530 - 1700

- **Review of past attempts to reduce poverty and develop livelihoods in Sri Lanka** – Dr. Pat Alailima (CEPA associate and Former Director General, National Planning Dept)
- **Micro-credit before and after the tsunami** – Mr. H.B. Disanayaka (Chairman, National Development Trust Fund)
- Discussion

2 December 2005

0830 - 0900: Registration

0900 - 1045: **Session 2: Experiences of post tsunami livelihood restoration**

Chair: Mr. Lal Samarasekera (Divisional Secretary, Habaraduwa)

- **Livelihood experiences in the South Coast** – Ms. Kamal Kapadia (Researcher, University of California)
- **Livelihood experiences in the Galle District** – Dr. A.D. Nanayakkara (Galle District Livelihood programme, TAFREN/ILO)
- **Progress of livelihood in the tsunami affected area in the North east provinces; with special reference to Thonaimanaru (Jaffna District) and Nayaru (Mullativu District)** – Dr. Soosai, Senior Lecturer, Geography Dept, Jaffna University and Prof. Balasundarampillai, Geography Dept and former Vice Chancellor, Jaffna University

- **Delivery of tsunami aid for livelihoods development/revival at the community level**
Dr. Marit Haug (Norwegian Institute for Urban and Regional Research) and Mr. Chamindra Weerackody (independent consultant)
- Discussion

1045 - 1100: Tea/Coffee Break

1100 - 1300: **Session 3: Special challenges facing the fishing sector**

Chair: Mr. Piyasena (Director General, Fisheries Department)

- **Overview of the Fisheries sector pre and post tsunami** –Dr. Leslie Joseph (FAO)
- **Key challenges facing fishery livelihoods in the Eastern Province of Ampara and Batticaloa** - Dr. Steve Creech (fisheries specialist)
- **Views of small scale lagoon and sea fishers** – Mr. Sumsudeen (President of the Hidayapuram Fisheries Society, Pottuvil)
- **View of deep sea fishers** - Mr. Meerasahip (President, Deep Sea Boat Owners Society, Ampara)
- Discussion

1300 - 1400: Lunch

1400 – 1645: **Session 4: Build back better: what does this mean and what can be done?**

Chair: Mr. Lionel Fernando (Chairperson, Disaster Relief Monitoring Unit, Human Rights Commission of Sri Lanka)

- **Role of affected households, government, private sector, NGOs and donors**
- *Floor discussion with responses from a panel of key stake holders*
 - Local government – Mr. Lal Samarasekera, Divisional Secretary, Habaraduwa
 - NGO – Mrs. Weeratunge, Chairperson, Agromart Outreach Foundation
 - Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) – Mr. Sam Stembo, Project Director, “Back to Business” Project
 - TAFREN – Mr. Nissanka Wadurawa, Livelihood Programme Manager
 - International Labour Organization - Mr. Doekle Wielinga (Chief Technical Assistant, Income Recovery Technical Assistance Project, ILO)
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Annex 2

List of Participants

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Annex 3

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Leslie Joseph is a fisheries development and management specialist with nearly thirty five years experience in the sector. He has worked for the Government of Sri Lanka and international organizations such as FAO, ADB and GTZ in Sri Lanka and elsewhere. Mr. Joseph is currently working as national consultant for FAO monitoring post tsunami reconstruction and rehabilitation in the fisheries sector. Contact: lesliejoseph@sltnet.lk

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Paul Steele is currently an Associate Research Fellow at the Institute of Policy Studies, Sri Lanka. He has undertaken tsunami-related economic research for the Sri Lankan government, development agencies and NGOs. He has worked in Sri Lanka for five years within government and the private sector. He was previously based in the UK with the Department for International Development (DFID) for four years. Contact: steele@sltnet.lk

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