

From Post-Tsunami Emergency Assistance to Livelihood Recovery in South India :

Exploring the Contribution of Microentrepreneurship Initiatives in the Gulf of Mannar, Tamil Nadu

By Philippe Régnier



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By Philippe Régnier

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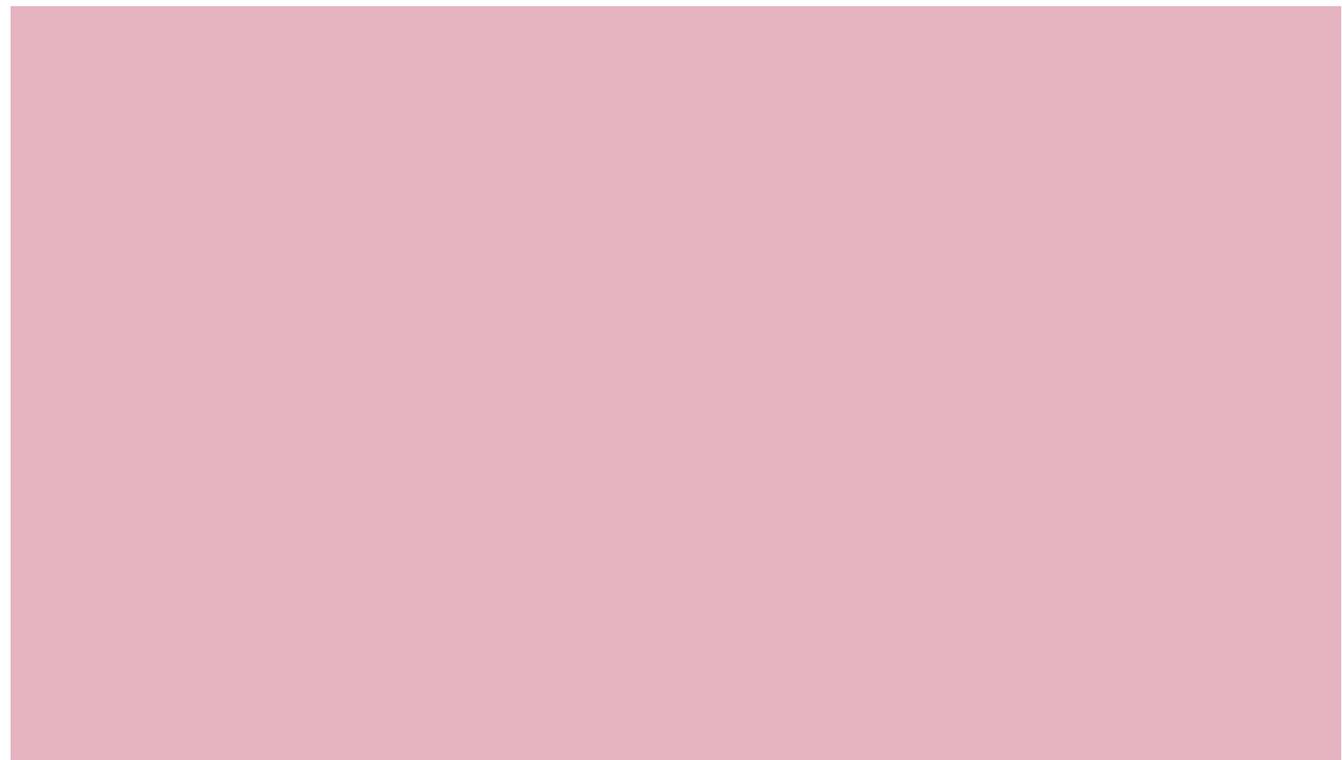
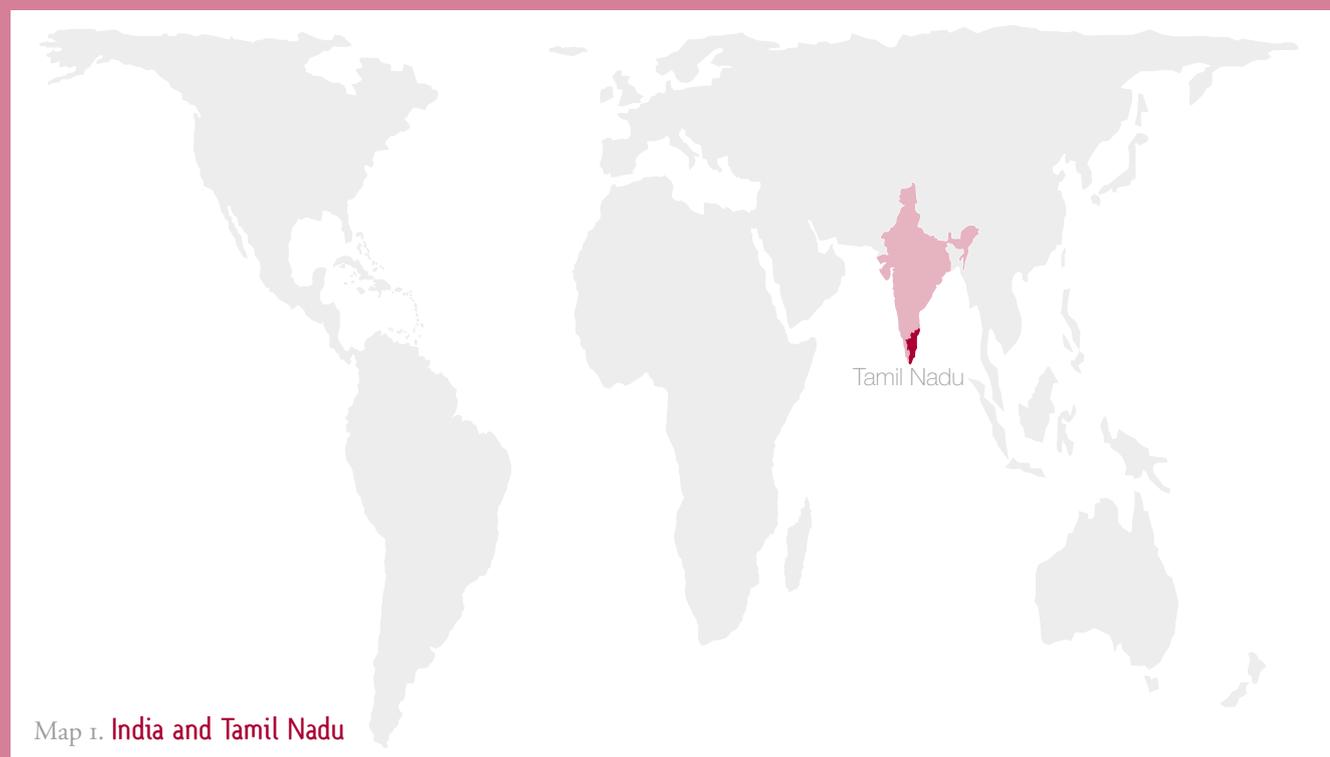


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Editor's Notes

International Federation Terre des Hommes

By Eylah Kadjar-Hamouda

Coordinator

This Working Paper is the first research contribution to a new research and training project launched in Geneva in June 2006, dealing with post-disaster economic rehabilitation through micro-entrepreneurship and micro-finance in three tsunami-affected countries (India, Indonesia and Sri Lanka), and in Northern Pakistan in relation to the October 2005 earthquake. This project will be conducted during 2006-2008 by the Geneva-based Centre for Asian Studies (a unit founded in 1971 and co-sponsored by the Graduate Institute of International Studies and the Graduate Institute of Development Studies), in cooperation with the International Committee of the Red Cross, the Swiss Red Cross and the International Federation Terre des Hommes (IFTDH).

The IFTDH is a network of 11 national Terre des Hommes organisations, whose mission is to provide active support to children without discrimination, and to generate positive change¹. To this end, they run

1215 development and humanitarian aid projects in 64 countries, which are designed to improve the living conditions of disadvantaged children within their own environment. The IFTDH complements its project work by advocating for the promotion and implementation of the rights of children in the countries in which it operates, in order to find lasting solutions. This advocacy work is deeply rooted in field knowledge.

At a European and international level, the IFTDH participates in decision making that has an impact on the plight of children, to ensure that experience at a local level informs the global level. The IFTDH also runs an International Campaign against Child Trafficking, and is a founding member of the Coalition to Stop the Use of Child Soldiers. The IFTDH is in consultative status with the UN Economic and Social Council, with UNICEF, the ILO and the Council of Europe. The IFTDH is accountable to children for delivering quality work, and it is accountable to its donors for ensuring that funds are spent in an efficient way and in accordance with human rights standards.

On 26th December 2004, Asia was hit by one of the most violent earthquakes and subsequent tsunami ever to have occurred. These natural disasters, which spread as far as the East Coast of Africa, claimed about 250,000 lives and left countless children homeless. It is also estimated that four million people faced the loss of their livelihoods and the risk of sinking deeper into poverty.

Thanks to its already strong presence in the region, the IFTDH was able to respond from the outset to the immediate needs of the victims, and it is now engaged in a reconstruction effort, coordinating with local partners who can sustain efforts over the long term. Operations are taking place in India, Indonesia, Sri Lanka and Thailand, with a total budget of over 38,000,000. The IFTDH works in collaboration with the other international agencies operating in the region. To date, more than 300,000 people have benefited from IFTDH relief and reha-

bilitation projects, *inter alia*, through the following activities:

Health Care

Immediately after the tsunami, the IFTDH managed the coordination of emergency medical services for two districts on the east coast of Sri Lanka. More than 40,000 medical consultations took place in just two months. Today, the IFTDH is engaged in long-term awareness-raising on hygiene and health issues, and in the rebuilding of clinics and pharmacies.

Child Protection

Children living in households that cannot provide for basic needs are more likely to be involved in dangerous survival activities. The IFTDH has developed measures to identify children at risk and to protect them from exploitation, trafficking and illegal adoption. Specific attention has been devoted to supporting disabled children and facilitating their return to school.

Defending Rights

The IFTDH helps fishing communities claim their rights in order to prevent them from being marginalized in barren lands far from the shore.

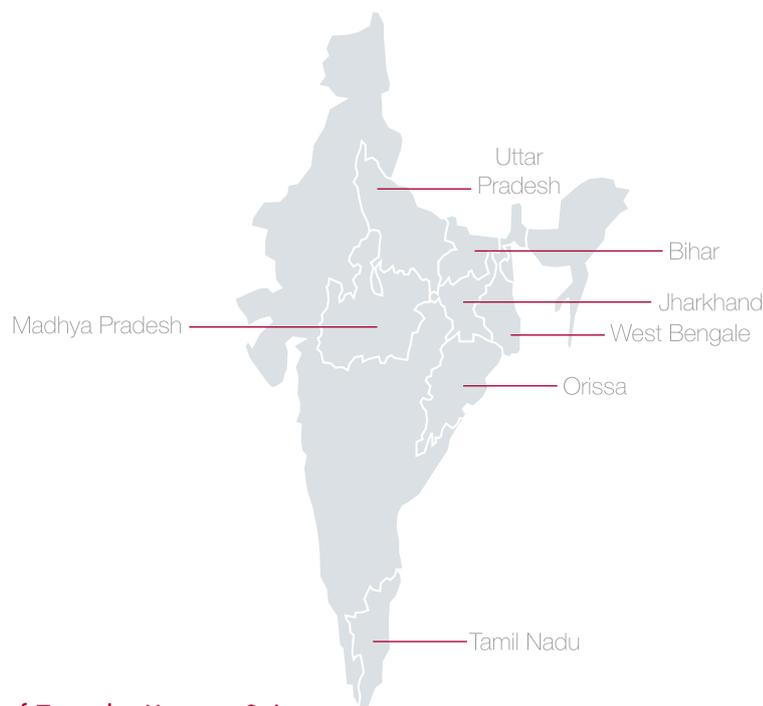
Restoring Livelihoods and Reconstruction

The successful transition from emergency response to the establishment of long-term development programmes that help families become self-sufficient

has been a major focus for the IFTDH. Therefore, it has rebuilt houses (for example 1,439 in the Aceh province alone), improved educational opportunities, supported fishermen with the rehabilitation of ponds and traditional fishing systems, and engaged in micro-credit schemes.

In this context, the IFTDH is particularly interested in collecting and sharing with other humanitarian and development organisations the main lessons learnt in the management of post-disaster operations. That is the purpose of this Working Paper, which will contribute to enriching and improving responses to major crises in the future.

Note 1 : THE MEMBERS OF THE IFTDH ARE : Terre des Hommes Canada, Terre des Hommes Denmark, Terre des Hommes Foundation (Lausanne, Switzerland), Terre des Hommes France, Terre des Hommes Germany, Terre des Hommes Italy, Terre des Hommes Luxembourg, Terre des Hommes Netherlands, Terre des Hommes Spain, Terre des Hommes Suisse, Terre des Hommes Syria.



Map II. Project Areas of Terre des Hommes Suisse

Editor's Notes

Terre des Hommes Suisse, Geneva

By Loredana Marchetti

Asia Projects Coordinator

Terre des Hommes Suisse has worked in India for more than 25 years, supporting projects in the field of children's rights, with Indian partners in Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, West Bengal, Orissa and Tamil Nadu.

During these years, development projects in favour of children and the under-privileged were complemented by humanitarian actions following major disasters, such as the super-cyclone in Orissa in 1999, and seasonal disasters, like droughts and floods in Bihar, West Bengal and Orissa.

The last major disaster, the tsunami in the southern part of India, once again brought Terre des Hommes Suisse into the world of humanitarian aid. Support to help communities overcome their immediate relief needs was implemented with medium-term commitment to contribute to sustainable improvement of livelihood and living standards.

To this end, a 3-year partnership agreement was signed in 2005 with the Indian NGO People's Action for Development (PAD), based in Vembar, a small town facing the Gulf of Mannar. This coastal region, encircling two districts (Ramanathapuram and Thuthicorin) from the urban centre of Thuthicorin in the south up to Rameswaran in the northeast, opposite the northern part of Sri Lanka, is a fairly large semi-arid, marginalized and poor region of Tamil Nadu, which has been largely ignored by most post-tsunami domestic and foreign aid donors.

The project supported by Terre des Hommes Suisse started in the first post-disaster phase (2005-2006) with:

- (i) Rehabilitation of livelihoods through the provision of nets, boats and fishing material.
- (ii) Psychosocial support to school attendees and drop-out children, and provision of school materials.

The second phase (2006-2008) comprises a multi-sectorial approach to the improvement of living conditions and the reduction of communities' vulnerability through:

- (i) Support to marginalized groups and communities in fighting for their rights to access to land, drinking water, quality education, etc.
- (ii) Provision of basic health services and education to ensure better care, nutrition and sanitation.
- (iii) Overall natural resources management and disaster prevention and preparedness work.
- (iv) Development of livelihood activities, mainly value-added fishing products, through investment and training.
- (v) Provision of microfinance for income-

generating activities to self-help groups of women and fishermen.

This Working Paper is based on field research conducted in the PAD area of operation in July 2006, in the field of livelihood development. It examines the strategies implemented by the local communities, with the support of PAD, to enhance the revenues generated by fishing activities and to create alternative income through a diversification of economic activities.

Terre des Hommes Suisse wishes to thank Prof. Philippe Régnier who took a personal interest in PAD's activities and provided insights to allow us to move forward.

PAD's activities are financed thank to the generosity of the people in Switzerland, Swiss Solidarity/Chaîne du Bonheur and the International Solidarity Service of the Geneva State/Service de Solidarité Internationale de l'Etat de Genève.

We are very grateful to PAD staff and management for welcoming us in Vembar and sharing information, documents and experience in the project area. Their long-term commitment to the Gulf of Mannar communities deserves our support, and we are proud to work with them.

Acknowledgments

By Philippe Régnier

Early in 2005, the Indian NGO People's Action for Development (PAD) and Terre des Hommes Suisse joined forces to help certain marginalized communities affected by the tsunami in South Tamil Nadu. In this post-disaster situation, they started the difficult but necessary process of identifying, and supporting the implementation of economic rehabilitation and livelihood development strategies.

This Working Paper is based on the author's field research conducted in July 2006 in the Thuthicorin district of the Gulf of Mannar, Tamil Nadu, South India. Complementary and comparative materials were also collected during a subsequent visit to the Nagappatinam district, further north, and only 170 kms south of Pondichery.

My sincere thanks go to these two Indian and Swiss partner NGOs for facilitating full access to the district and village communities, and enabling a review of the economic rehabilitation activities that were implemented during the first phase of the project, and over the next 15 months. I would like to express particular thanks to Terre des Hommes Suisse, who gave me the opportunity to visit their local Indian partner,

to access the post-tsunami project's documentation, and to share their past and current experience in India. The idea of writing this Working Paper developed from an awareness of the need to document the highly valuable work of these two organizations in this particularly poor region of Tamil Nadu, and to help its circulation and better visibility within India, and internationally.

Since our Geneva-based Centre for Asian Studies embarked on the new post-tsunami economic rehabilitation research project with the International Federation Terre des Hommes as one of the main partners, collaboration has been close and fruitful. I would like to thank them for accepting my proposal to publish this Working Paper, under their institutional umbrella, as one of the very first field research contributions to the project, which began during the summer of 2006 in Tamil Nadu. I hope that this modest publication will also give some visibility to the marginalized communities of the Gulf of Mannar, which are rarely covered by the Indian media, and even less visited and encouraged by foreign donors or NGOs, with the exception of Terre des Hommes Suisse and a few others. The reader will recognize here the very essence of the Terre des Hommes international movement, as illustrated by the various projects conducted in Tamil Nadu and elsewhere in the Sub-continent.

This paper was drafted immediately after my field research in the Gulf of Mannar, and during my stay as Visiting Professor of Entrepreneurship and Small Business Development Economics at the Department of Management Studies, Indian Institute of Technology Madras (IITM), Chennai, between 27 July and 27 August 2006. Therefore, I would also like to express my sincere thanks to both the Department of Management Studies, Indian Institute of Technology Madras (IITM), and my own institution, the Graduate Institute of Development Studies, Geneva. They facilitated my fruitful visiting status on the IITM campus for four weeks, as the first immediate and concrete implementation of a scien-

tific cooperation agreement signed on 29 June 2006 between these two institutions.

Finally, I believe that the partnership between the International Federation Terre des Hommes, the International Committee of the Red Cross, and the Swiss Red Cross, in the framework of our joint research and training project, is highly valuable given its capacity to fertilize regular interactions and links between researchers and practitioners. This piece of field research is intended to increase multidisciplinary awareness, reflection and preparedness for action among humanitarian and development cooperation staff interested in delivering better post-disaster economic rehabilitation.



I. Argumentary

The high-profile coverage of the tsunami led to the largest and fastest funded response to a natural disaster ever documented in the history of humanitarian aid. But the glare of the medias and public attention pressured donor agencies to spend rapidly and visibly, often neglecting search for pre-disaster local data and ex-post precise needs assesment. The complexity of long term recovery beyond immediate emergency relief assistance has also been underestimated by a number of donors and NGOs.

In its report released in London in mid-July 2006, the Tsunami Evaluation Coalition (TEC, a consortium of 40 member agencies across the humanitarian sector, including UN agencies, major international NGOs, and the Red Cross and Red Crescent Movement) underlines the central importance of addressing the rapid shift in post-disaster management from emergency relief priorities (medical support, health care, sanitation, etc.) to those of development reconstruction and livelihood recovery among the affected populations, including the most vulnerable households and individuals¹. Though rather obvious, such shift has not been much anticipated or has been underestimated within the first weeks and months following the tsunami, most hu-

humanitarian agencies having no intention or being unexperienced to meet locally affected people's medium and long term needs to return to their *ex ante* living conditions in economic and social terms. Further questions have been raised such as whether:

(i) the content and quality of humanitarian assistance, short term by nature, should be upgraded or widened to include linkages with longer term development rehabilitation,

and/or whether

(ii) a well monitored division of labour and coordination could be operationalized among humanitarian agencies on the one hand, and development cooperation institutions on the other, both at the international level and perhaps even more important on the domestic front.

Beyond pure economics of survival, there is no international standard definition of "livelihood" recovery in a post-natural disaster context. The issue is even more complex when a disaster takes place in a region also affected by a political and security crisis, like in the cases of the tsunami in Aceh, Indonesia, and Sri Lanka, or of the earthquake in Kashmir, Northern Pakistan. Yet, the terminology of "livelihood" has mushroomed in every post-tsunami document published by donors since 2005, up to a point that the International Federation of Red Cross and Red Crescent Societies decided in the course of 2006 to appoint for the first time in its history, "livelihood" aid officers among its senior humanitarian staff.

DFID, the arm of British development cooperation overseas, provides a rather comprehensive definition of the concept of "livelihood":

"A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with

and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base"².

The concept of livelihood covers a wide range of economic and social contents, which have also to be contextualized directly on the ground, with enormous variations among pre- and post-disaster parameters to be considered from one situation to another, and from one affected locality to another. An international consensus seems to emerge and recognizes:

(i) that emergency relief does play a crucial role during the first weeks and months following a disaster,

(ii) that it can include in a broad sense the delivery of minimum safety, stability and confidence building beyond the material supply of survival equipment and tools,

(iii) that the role of humanitarian agencies should stop there, then rapidly decrease, and be substituted by reconstruction and development aid, supportive services and various types of international grants and domestic incentives to enable the affected populations to get back within shortest possible delays to their *ex ante* economic and social activities. This approach is the only route to restore more or less self-reliant conditions of living, at least at pre-disaster levels, and improve them further, if possible.

The plead for a rapid and effective shift from emergency relief to development reconstruction has led a number of donor agencies and NGOs to target in the context of the tsunami and since mid-2005 the rehabilitation of small economic activities through microentrepreneurship initiatives of various types and magnitudes. The declared intention has been that such activities should resume in order to restore

access to local production of basic commodities and petty services, to start up again other types of pre-existing economic activities, in order to secure employment, occupation, income, and dignity for the majority of survivors. For example, Japanese and German development aids in cooperation with the Asian Development Bank and the UNDP have tried in the most devastated region of Aceh, Indonesia, to provide through direct aid in kind, cash grants and microfinance schemes the rehabilitation of artisan, petty, and small-sized production units in various key sectors such as post-farming and post-fishing transformation, bakery, sewing and garment confection, carpentering, construction, metal work, motorcycle repair, etc. In addition, some microentrepreneurship training inputs have and are still being delivered to microenterprises, cooperatives, village associations and community self-help groups not only to get back to pre-tsunami levels of supply and local consumption, but if possible to improve self-reliant and sustainable living conditions, especially among the most vulnerable and poor segments of the surviving population. The declared objective of self-reliance and sustainability of such microeconomic activities proceeds from the hard fact that continued injection of national and foreign aid is neither desirable nor feasible. Furthermore, a number of well-funded post-tsunami hardware reconstruction projects, like delivery of new housing for instance, tend to rely on external contractors and therefore hardly source for materials, components and parts produced locally or in the vicinity.

Logically, given the limits of their relief mandate, the vast majority of donors retreat within a time span of one to two years, because of their own policy and project financing regulations and constraints. In the meantime, new disasters and other types of crises also call them elsewhere, as it has been already the case in mid-2006 (earthquake in Central Java, Indonesia, then new conflict outbreak in Lebanon). Furthermore, humanitarian agencies do not have a development mandate! Even if they had one, there

is no systematic justification to transform every place affected by a natural disaster into a new development cooperation area.

In the international context of this highly sensitive and often controversial post-tsunami debate, this paper intends to address and discuss the necessary shift from emergency relief to development reconstruction, in the case of Tamil Nadu, South India. More specifically, it reviews the local conditions of recreating sustainable microeconomic activities to guarantee the survival and redevelopment of Vembar (10,000 inhabitants) and a dozen of smaller coastal villages belonging to the Villathikulam taluk, the district of Thuthicorin (or Thoothukudi), Gulf of Mannar, South Tamil Nadu, as initiated by a local NGO together with foreign partners over a period ranging from April 2005 until July 2006.

The paper is structured as follows:

- (i) A first section considers the difficulties and hardships of any meaningful and spontaneous entrepreneurship endeavours, even at a small scale, in a region like the coast of the Gulf of Mannar, except possibly in the traditional fishing sector.
- (ii) A second section shows that effective economic recovery has been delivered by one local NGO, which has been able to secure financial and technical support from foreign NGOs. In the meantime, public intervention has been minimum in this marginalised semi-arid coastal area of Tamil Nadu, and those very few reconstruction initiatives led by local government authorities have hardly met their targets.
- (iii) A third section identifies a rather clear frontier between two types of enabling microentrepreneurial deliverables on the ground. One has been already delivered in the form of recovery support provided to existing microeconomic

activities brought back to pre-disaster level, and even beyond, within one year between mid-2005 and mid-2006. However, after this first stage, the delivery of other small business development services to coach and incubate alternative activities, diversify the local economy and alleviate poverty remains a central problem, as also shown in other coastal areas of Tamil Nadu affected by the tsunami.

Note 1: The Hindu (India), July 15, 2006.

Consult also: Tsunami Evaluation Coalition (TEC) at <http://www.tsunami-evaluation.org/The+TEC+Thematic+Evaluations/needs>

Note 2: Department for International Development (DFID) (2001), *Sustainable Livelihoods Guidance Sheets*, London, www.livelihoods.org/info/info_guidancesheets.html.

See also: Ashley C. and D. Carney (1999), *Sustainable Livelihoods: Lessons from Early Experience*, London, (DFID). DFID (1999), *Livelihoods Approaches Compared: A brief comparison of the livelihoods approaches of the UK* (DFID), CARE, OXFAM, and the United Nations Development Programme (UNDP), London.

II. The Traditional Microentrepreneurship Landscape in the Ramanathapuram and Thuthicorin Districts and its Isolation from Post-tsunami Relief Assistance

Liberal theories envisage entrepreneurship as a rather free and spontaneous phenomenon based on individual choice, in which neither the State nor any other external player should intervene³. However, other theoreticians have demonstrated the intimate interdependence between the enterprise and its environment, which has always to be contextualized⁴. Since the 1990s, the Small and Medium-sized Enterprise Committee of Donors coordinated by the World Bank Group (including the International Finance Corporation, IFC) have put forward the concept of business enabling environment, which implies that some natural and/or institutional factors may handicap or prevent the birth and development of entrepreneurial dynamics⁵.

The Gulf of Mannar (GOM) and the Vembar area in particular illustrate the difficulties and hardships of spontaneous entrepreneurship, at a small and informal scale, given the local conditions of the milieu. Even though the 320 kms of the GOM coast have been recently classified as national sea biosphere patrimony due to its exceptional

biodiversity and coral reef fauna, it belongs to the most arid and semi-arid areas of Tamil Nadu, ^{pic.1} and has to face regular typhoons during the moonson season starting in October. The salinity of soils, the scarcity of underground water and especially drinkable water (500 to 700 mm rainfall per year only during the moonson and absence of perennial rivers flowing in the area), the low delivery of basic infrastructures (including reasonable roads which are in a terrible shape) explain the deep poverty of the area, the marginalization, if not exclusion, of its 47 villages and 50,000 inhabitants from major communication and economic flows. In addition to fishing, the only other activities are goat rearing, tapping of fibers and sweet juice from the palmyrah tree (production of palm candy), charcoal making (wood fuel derived from wild tree called *Prosopis julifera* or *velikkaruvel*), and production of salt (saltpan workers, including child labour). In mid-2006, there was hardly any visible sign of a notable economic diversification and take off, apart from one village benefiting from remittance transfers from Indian workers in the Middle East and building middle-class houses in their place of birth. Formal institutions have largely failed to provide livelihood development to the region :

(i) Almost every fishing village has a Fishermen Co-operative Society, some have even more than one, and their main functions is to implement government welfare programmes and subsidy schemes for the fishing communities. However, though every fisherman is invariably a member of such societies, very limited benefits come through them and imply a lot of efforts and delays. Marketing the fish is left entirely to merchants/middlemen/agents and auctioneers except when fisherwomen sometimes undertake retail marketing activities by themselves⁶.

(ii) The Department of Fisheries does play a role in dealing with issues related to fishing regulations, conflict resolutions and welfare schemes.

Yet, it has failed to understand the changing context of fishing, and especially the erosion of traditional fishing conditions and derived income as opposed to the mechanization of the fishing industry linked to the rising presence of trawlers.

(iii) Due to poor access to financial assistance in any form, the fishing village communities are dependent on the informal sector. Three out of four fishermen are in debt *vis-à-vis* traders and money lenders, who charge as high as 5 to 10% per month. Some of them depend upon informal sources of credit even for their day to day survival needs.

This unattractive geo-political situation combined with the minimum presence of public and non-governmental institutions, except the notable activities of Christian churches, probably explains why this particular region remained out of scope and reach of post-tsunami assistance⁷. Compared to the Gulf of Bengal up to Chennai, where hundreds of national and foreign NGOs operate in a rather uncoordinated fashion, almost none contemplated the idea of operating in the Gulf of Mannar, which does not have even ... a single guesthouse to accommodate development aid staff and visitors. Of course, the more limited human casualties there due to the tsunami can explain somehow such disinterest (for example, in the locality of Vembar – 10,000 inhabitants – only one woman died and a few other people were injured). However, hard and soft material damages were substantial, especially among the fishing communities. The fishing households were far from prosperous before the disaster, due to a decline of near shore and off shore catches and a reduction in the noble fish fauna during the last decade, and to the competition of larger and better equipped fishing boats coming from other neighbour districts outside the Gulf of Mannar itself.

Post-tsunami assistance after the tsunami has therefore been extremely scarce apart from moral

and social support through Christian church networks, which are predominant in the area compared to the Hindu and Muslim communities. Apart from the NGO People's Action for Development located in Vembar itself and working with villages of the Tuticorin and Rama districts, there is very little trace of any other NGO work apart from a number of village fishing communities self-organized in societies, with some of them affiliated to the South India Federation of Fishing Societies (SIFFS), which operates in Kerala, and more recently in Tamil Nadu and Andhra Pradesh (SIFFS headquarters are located in Trivandrum, Kerala).

On the local government front, very little trace of post-tsunami assistance, except a brand new CASA project of 75 compact and wholly cemented flat roof RCC houses built by a Delhi contractor (for about US \$ 2,000 each) in the middle of nowhere about two kilometers outside Vembar. No single house was inhabited as yet in July 2006.^{pic.3} No rehousing need assessment has been really made from the very beginning, otherwise a serious destruction evaluation would have shown that very few people lost their house in Vembar as the locality is a few hundred yards away from the beach. Then, the choice by CASA of the new housing location is very poor, as there is a long distance to the sea, and fishing households can therefore hardly consider to move to one of such reallocated new house. It seems that only four or five household beneficiaries have already been able to process ownership access to one of these houses, and they have decided not to come and live there (what was the original objective of such aid) but to put the house immediately on sale just to get the cash money (a diversion from the original objective)!

Note 3: Glancey K. and R.W. McQuaid (2000), *Entrepreneurial Economics*, New York, Palgrave, Macmillan, p. 225.

Note 4: Bridge S.K. O'Neill, and S. Cromie (1998), *Understanding Enterprise, Entrepreneurship and Small Business*, London, Macmillan Business, p. 297.

Note 5: Committee of Donor Agencies for Small Enterprise Development (2001), *Business Development Services for Small Enterprises: Guiding Principles for Donor Intervention*, Washington D.C., World Bank Group, SME Department, p. 15.

See also: White S. (1999), *Fields of Opportunity, A Guide: To the Design and Review of Small Enterprise Policies, Programmes, Laws and Regulations*, Geneva, ILO, Enterprise Management Development Branch, p. 110 White S. and J. Chacaltana (2002), *Enabling Small Enterprise Development through a better Business Environment: Donor Experience in Supporting Reforms in the Business Environment*, Washington D.C., Committee of Donor Agencies for Small Enterprise Development, Working Group on Enabling Environment, Technical Document, November, p. 70.

Note 6: The fishing policy of the Tamil Government is populist in nature, but hardly delivers. For instance, the diesel subsidy is reaching very few fishermen, and it is restricted by administrative measures. The so-called fishing cooperatives forum is nothing more than a public institution providing individual ID cards and a meager off-season payment. The diesel supply is limited up to 1,000 liter per trawler per month, and is not enough for more than 4-5 days. The subsidy is divided in two parts:

- a. a cash subsidy of Rs 5,80 for the first 1000 liters only,
- b. a repayment of excise duty of Rs 1,50 per liter, also restricted to the first 1000 liters only (but this repayment is often delayed for long periods of time, the government owing Rs 15,000 to each fisherman per year).

For further details, consult: Arockiasamy Xavier (2005), *Fisheries Policies of the Government and the Status of Fishing Community*, Vembar, Report to People's Action for Development, p. 24

Note 7: CARITAS India, *New Life after Tsunami*, Annual Report 2004-05; CARITAS India, *Rebuilding Lives: One Year of Integral Response*, Caritas India Tsunami Report 2005.



Pictures Landscapes



Picture 1 : Golf of Mannar Landscape
“ ... it belongs to the most arid and semi-arid areas of Tamil Nadu, and has to face regular typhoons during the moonson ... ”

Picture 2 : Traditional House

Picture 3 : Post-Tsunami Construction Project
“ ...75 compact and wholly cemented flat roof RCC houses ... No single house was inhabited as yet in July 2006 ... ”





Fishing

Picture 4 & 5: Communitarian Boats & Village Nets
“In the fishing sector, new communitarian boats, ... different types of nets, ... have been supplied to encourage fisherman to resume going at sea whithin shortest delays possible.”

Picture 6: Life Jacket



Picture 7: Nets Shop
“Most loans have been concentrated in the fishing and post-fishing sectors (including one fish-pickle project and nets) ...”



Fish Processing

Picture 8: Crabs Fattening

“There are already a few crab and shrimp small fattening experimental units along the coast of Mannar which use environmental friendly methods.”

Picture 9: Fish Auction

“Some SHGs are now able to organise by themselves small fish auctions, when fishermen return from the sea every morning ...”

Picture 10: Ice Boxes

“... SHGs have taken responsibility ... for the proper distribution and management of 35 insulated ice boxes and a few freezers to be collectively owned ...”



Picture 11: Traditional Fish Drying

“Dry fish is for human consumption, but it is also increasingly used in shrimp farms and for feeding other live stocks.”



People

Picture 12 & 13: Men & Women Self Help Groups
“... These SHGs include fishermen and women assuming post-fishing activities ...”

Picture 14: Participatory Rural Appraisal

Picture 15: Computer Centre
“Among its social and educative activities, PAD has established in Vembar a small computer centre with about twenty computers, software and Internet connection. The facility has been used so far as a computer education centre for the rural youth.”

III. Effective Delivery of Small-scale Recovery Assistance through Self-help Group Microentrepreneurial Activities

The districts of Ramanathapuram and Thuthicorin (or Thoothukudi) have been left out from post-tsunami massive aid inflows, highly concentrated on a coastline starting South of Chennai down to North of the Rameshwaram peninsular facing Jaffna, Sri Lanka. People's Action for Development as a development cooperation NGO has been among the very few NGOs to venture into this very poor area since the late 1990s, and to seek foreign support from Canadian, Dutch, Finnish, German and Swiss NGOs. PAD has adopted an integrated and sustainable development cooperation approach, addressing at the fishing village community level economic rehabilitation objectives, social ones (health and education), and eco-system environmental protection, with a particular focus on women and youth. Based on its knowledge of the district and on a number of small development projects conducted for 4-5 years preceding the tsunami, PAD, which is not a humanitarian or relief NGO, had immediate access and was able to assess effectively and at each village micro-level the reconstruction needs following the disaster.

On the pure economic front, PAD's recovery assistance provided since April 2005 has concentrated on fishing, post-fishing and complementary activities through the reinforcement of existing community self-help groups and the creation of additional ones in villages. In the fishing sector, new communitarian boats, ^{pic.4} motors, different types of nets, ^{pic.5} and hooks have been supplied to encourage fishermen to resume going at sea within shortest delays possible. Quantity, quality and diversity of these inputs have enabled fishing village communities to access better equipment than prior to the tsunami. This is a first factor explaining why they have been able within a year to resume and even improve their fish catches, even taking into account rather significant seasonal variations, especially during the moonson starting in October⁸. Contrary to other more accessible coastal areas of Tamil Nadu affected by the tsunami, there is no trace of oversupply of boats and fishing nets. Quite surprisingly, the SHGs concerned have made spontaneously the entrepreneurial decision to buy back the new community boats and initially provided for free, in order to constitute gradually a savings fund, which is used for maintenance and repair purpose, or for more serious and even dramatic emergencies (including accidents and loss of life at sea).

A second and major social factor also explains why fishing and post-fishing revenues have substantially increased (+ 30 to 40% compared to pre-tsunami levels for all 21 SHGs on average). These SHGs include fishermen and women assuming ^{pic.12/13} post-fishing activities (direct sales, fish drying) and this type of group-based communitarian approach has proven to be rather effective on several fronts. As mentioned, SHGs have taken responsibility for maintenance and repair work of fishing equipment, but also for the proper distribution and management of 35 insulated ice boxes and a few freezers ^{pic.10} to be collectively owned (one freezer for 20 fishermen on average) in order to keep the fish in good conditions. Refrigeration is an absolute necessity in a tropical climate, and it enables nowadays better marketing

and transport of the fish within the district and beyond. Small quantities are generally transported by bus, and occasional bigger ones by little trucks operating on the very bad roads of the district. Ice can be purchased from Vembar itself, or otherwise in a range of fifteen kilometers.

With the support of a small microcredit revolving fund of 859,000 Indian Rupies (1 US \$ = 46 Indian Rupies, July 2006) financed by the Swiss NGO partner and channeled through PAD dedicated social workers, the SHGs have taken up microentrepreneurial initiatives in the following areas:

- (i) post-fishing marketing and transportation to end markets,
- (ii) bulk purchase of rice for resale in small quantities,
- (iii) production of fish pickles, soap and other small items consumed by local village households,
- (iv) small shops,
- (v) goat rearing and other miscellaneous.

Between April 2005 and May 2006, 21 microloans of 30,000 up to 50,000 Indian Rupies each have been extended and reimbursed without default. Each loan has gone to fifteen to twenty SHG beneficiaries on average. Most loans have been concentrated in the fishing and post-fishing sectors (including one fish-pickle project and nets), ^{pic.7} with a few other loans going to sugar palm tree tapping (3), goat rearing (3), rice business (1) and ice cream cycling distribution (1).

An other most interesting discovery during our field research relates to the introduction of significant fish marketing innovations, which has boosted fishing households' incomes. Thanks to the micro-finance scheme put in place, some SHGs have been able to cut down and even suppress fishermen's pre-

vious constant debt dependency *vis-à-vis* private intermediaries and traders buying and transporting the fish directly from the beach, but also lending money for the acquisition of nets or other types of equipment.

Some SHGs are now able to organize by themselves small fish auctions, ^{pic.11} when fishermen return from the sea every morning. Out of their total sales, 75%

of revenues go to fishermen, 5% to SHG-appointed traders, 15% to microcredit repayment, and 5% to a SHG saving account (to be used only in case of emergency, and possibly down the road as a collective microinsurance to be contracted through PAD with an insurance institution located in Madurai). One of the most unexpected achievements by some SHGs lies in the fact that access to microfinance

Table I. **Estimated Marine Fish Production in Tamil Nadu and Thuthicorin District** (*in tonnes*)

Location	Mechanized Fishing		Non-Mechanized Fishing	
	2001-02	2002-03	2001-02	2002-03
1. Thuthicorin district	23,611	15,279	29,932	14,939
11. Total Tamil Nadu, 12 districts				
> in tonnes	187,142	200,468	128,107	93,421
> in percentage	50,06%	52,86%	34,27%	24,64%

Source: Commissioner of Fisheries, Chennai-6 (Statistical Handbook of Tamilnadu, 2003).

Table II. **Mechanized Boats versus Traditional Crafts in Tamil Nadu Engaged in Fishing**

	Mechanized Boats	Traditional Crafts
1996-97	9,896	42,537
2003-04	10,278	49,000
2004-05	12,000	50,700

Source: Tamilnadu Government, Fisheries Department, Policy Note 2004-05.

has enabled them not only to get away from abusive money lenders and traders, but also, in a few cases, to recruit some of them as SHG's regular employees in charge of fish auction management, marketing and transport of the fish directly from the SHG to the end clients. This rather extraordinary shift has been made possible because of close social proximity and good interpersonal chemistry among PAD staff, SHG leaders and some of the traders, all originating from the same village or neighbourhood. It also confirms that middlemen such as traders and money lenders should not always be blamed or diabolized as it has been sometimes the case in post-independence India and in prevailing third world studies. In the case of the Vembar area, some traders have been simply attracted by the perspective of a more regular income salary derived from the gradual development sustainability of the SHGs and from the high credibility and social leadership of PAD acting as a key facilitator.

The social dynamics of certain SHGs have also resulted in spontaneous empowerment awareness and embryonic advocacy activities at the local microlevel. Following the tsunami, PAD has initiated the creation of village development committees in charge of channeling aid and relief assistance. Such committees are composed of panchayat representatives, traditional leaders, religious figures, school teachers, community and SHG representatives. Some SHG leaders have been particularly inspired by PAD and have become pro-active in such committees. They have clearly contributed to the raising awareness of the different local actors on reconstruction and development related matters of common interest. This may be described as the beginning of a gradual and encouraging empowerment process, which was simply inexistent prior to the tsunami.

These committees meet at least once a month, identify communautarian problems in the delivery of basic infrastructure (such as water supply) and social services (health, education), and try to address them through existing local district or supra-district administrative channels. This has come up to the

surprise of South Tamil Nadu observers and politicians, who have traditionally looked down at this very poor region and identified the natives as small numbers and rather passive populations.

Note 8: Contrary to vast segments of the Coromandel coast, the sea deep water ecology system does not seem to have been too substantially damaged and modified following the tsunami. Wherever it has been severely affected, fishing catches have remained very low compared to the pre-tsunami situation.

IV. The Challenge of Local Microentrepreneurship for Economic Diversification and Poverty Reduction

PAD identifies itself as an NGO engaged in sustainable development, and as already underlined, not as a humanitarian and relief organization. Post-tsunami livelihood rehabilitation has been envisaged first and naturally as a post-disaster response, but also as a leverage to be more active than in the past on the economic front, and to coach local village communities not only in the restoration and improvement of fishing and post-fishing activities, but also in possible new activities drifting away from traditional ones.

This section underlines a rather clearly cut frontier between the rapidity and effectiveness of PAD contribution to the recovery of pre-disaster microeconomic activities as illustrated in the previous section, and the highly difficult task of impulsing either a diversification of these traditional activities, or of starting up alternative and new types of microactivities in sectors where there is no previous experience and know how available locally. As a matter of fact, such a frontier tends to reconfirm the development mandate of PAD and its benchmarks.

Up-grading and Diversification in the Fishing Sector

PAD and its Swiss NGO partner wish to valorize the economic and social capital of the fishing communities, and explore possible options for downstream diversification and value added generation. The start ups of two production units have been envisaged since April 2006, one in the fish drying sector (with the use of solar energy), and a second one producing fish and crab pickles.

Even though there is no doubt that dry fish and fish pickles are in demand in South Tamil Nadu, proper market research has not been carried out by PAD due to lack of marketing skills of its own, and due to prohibitive costs if subcontracted to outside professionals. However during field research and work together with PAD, it became clear that there was little immediate scope for both units, at least until a professional market feasibility study is carried out.

Dry fish ^{pic.9} is for human consumption, but it is also increasingly used in shrimp farms and for feeding other live stocks. At the local Vembar level, the relative high cost technology for a solar drying fish unit would hardly meet upstream the availability of regular fish supply, and downstream the possible sale price acceptable by the market. Later consultations with the director of SIFFS (South India Federation of Fishing Societies) have also highlighted other aspects not conducive for giving immediate greenlight to such production unit. First, overall demand for dried fish is declining in South India, first because of technology and consumers's change in taste making fresh or refrigerated fish much preferred (today less than 20% of total catches are dried compared to over 70% still in the 1960s), second because only low categories of fish are kept through a drying and salting traditional mode of conservation. An other problem experienced by SIFFS is that production relies on very small and cyclical catches in every single fishing location of South India, and previous attempts made by SIFFS to up-grade technology for

cleaner and better sanitary conditions for dry fish consumption have failed. In the early 2000s, SIFFS even started an export business of dry fish from Kerala to the Middle East: the project collapsed the second year due to the impossibility to guarantee sustainable supply of quality and quantities. There is still scope if SIFFS was able to organize a wide territorial collection of fish to be dried and processed only in a few appropriate larger scale aggregation, production and marketing locations. SIFFS is considering to launch a survey along these lines, and it would include the fishing societies of the Gulf of Mannar.

The *ex ante* evaluation for starting up or not a fishing pickle production in Rojmangar (4 kms from Vembar, where the tsunami and other fishing accidents has left 98 widows) raises other types of concern. There is little doubt that pickles are in good and increasing demand all over India and overseas, but some brands, meaning established competitors, are already quite present on the domestic market. Price elasticity of demand is also not very high as the average selling price to be possibly charged in Indian shops and supermarkets can be estimated around 60 Indian rupees for 100 grams.

The detailed visit of the only one fishing pickle unit in the area, called the Anna Theresa Fish Pickle Unit (ATFP), in the vicinity of Thuthikurin (1 hour drive from Vembar) has raised serious doubts about its own long term sustainability. First the initial investment of 2,4 million Indian rupees (about US \$ 571 430, at July 2006 currency rates), when inaugurated in 2003, could not have been mobilised by the local SHG cooperative alone operating it, and without the combined support of the UNDP, the Swaminathan Research Foundation and PriceWaterhouse & Cooper, Chennai, and some strong networks linked to the South Tamil Nadu Christian Church. Second, the 11 jobs created in the unit and its very modest overall profitability show that the return on investment is extremely low and could not be met along private market conditions alone. Thirdly, the extremely well maintained unit

works at constant undercapacity due to erratic supply of high quality fish, even though the unit can keep inhouse stocks in two large refrigerators. Therefore, the provisional conclusion is that the start-up of a new and even more modest production unit in the same district near Vembar would hardly be feasible. Instead, preliminary win-win conversations were initiated with the Anna Theresa Fish Pickkel Unit during the time of the field research visit. It remains to be seen whether and under what conditions PAD could eventually facilitate additional supply of good quality fish to the existing ATFP unit in order to up-grade its supplies and its overall productivity. What still remains to be seen is whether ATFP has also sufficient market networks to expand its sales in South India, and tentatively the rest of the country.

Mangrove Fauna Cultivation and Small-scale Aquaculture

There are already a few crab and shrimp small farming ^{pic.8} experimental units along the coast of Mannar, which use environmental friendly methods. One of the three core mandates of PAD is also to address the protection of the biodiversity and the sustainable development of the Gulf of Mannar. With some German ecological assistance, PAD has started a mangrove plantation and cultivation program. First results will be evaluated by end 2006.

Actually, there is reasonable prospect for small-scale aquaculture, which could be developed as household side activity, and which could be located near women's homesteads, enabling them to perform other domestic and income generating activities as well. Marketing and distribution could be handled through self-help groups, PAD and other NGO networks. This strategy could create new opportunities to raise good quality crab, fish and prawn species. In addition, it is a sector not completely new to fishing communities, and this could facilitate the absorption of appropriate

coaching and training support. Local production could be easily sold fresh to final consumers, and also transported to some large agro-food and seafood firms established in Thuthikorin. This district will also be connected to the forthcoming Indian North South highway to be completed before 2010, and which will raise new opportunities for cold storage and refrigeration transport by road. There is little doubt that large fishing corporations, both Indian and foreign, will deepen their activities in the area. Indian conglomerates are already operating such as Tata, Mahindra, Hindustan, and have started local companies like Indofish Ltd, Fortune International Ltd, and Inchita Fisheries Ltd. Foreign conglomerates are also present such as US Sea Food Corp., US Chevanne Merceron Ballery, German A M Produkte, or Japanese Mitsubishi.

Software Education and Ocean Environmental Engineering

Among its social and educative activities, PAD has established in Vembar a small computer centre with about twenty computers, software and Internet connection. The facility has been used so far as a computer education centre for the rural youth. ^{pic.15} Two to three groups of young women and men come every day, free of charge, to follow a basic training course delivered by a young Indian instructor, who has just finished her BSc in computer science in Chennai. So far the only objective is to develop computer literacy among the youth, to channel various types of economic and social messages through the screen, and increase their individual skills for later potential employment, with various positive economic and financial spillover implications for the district and beyond.

The issue facing PAD today is how this computer centre could be further valorized and become eventually self-financed, if not profitable.

Several initial concepts have emerged, and

should be further documented in terms of their possible feasibility:

(i) The computer centre could be further developed into a training centre providing not only skills but also IT communication facilities for job opportunity seekers.

(ii) The computer centre could be also up-graded into a small meteorological information unit serving the fishing communities with extremely useful weather and sea off-shore conditions, particularly unstable during the humid monsoon starting every October. This would contribute to better fishing and security conditions, and prevent the destruction of lives and equipment. Down the road, insurance companies could develop their social responsibility and sponsor some segments of this project, which could be also linked to the potential of starting a collective microinsurance scheme (as mentioned above). It could start by providing free of charge or at low price GPS electronic equipment for each and every single boat (available at a reasonable market price of 8,000 Indian rupees or about US \$ 190).

(iii) The computer centre could also serve as one possible base, among others in the Gulf of Mannar, for ocean biodiversity data collection, ocean engineering, scientific and students/junior staff training activities, to be conducted with appropriate public and private partners, including the Ocean Department of Tamil Nadu. Foreign institutions interested in the preservation of reef fauna, fish species, etc. could be also invited to contribute in various forms. This activity should capitalize on the 1989 decision by the Government of India to declare the Gulf of Mannar as the first national marine biosphere reserve in the country and in the whole of South Asia. This is to say that the development of ecotourism here would be

used to attract college and university students, academic staff, scientists and even inland civil servants to be further educated about the importance of coastal ecosystem, and made as partners for ocean management policy changes and effective implementation. More specific activities could range from dissemination of ocean and coral reef conservation knowledge to participatory monitoring of the marine environment and development of alternative environment friendly technologies using sea water and solar energies.

(iv) The computer centre could also become a computer back up unit for the development of a coastal and offshore sea surveillance system covering the Gulf of Mannar, if the Central and Tamil Nadu governments are really serious about its protected status as a national ocean reserve.

(v) The computer centre could also become a reference in terms of disaster preparedness and mitigation. It could store and up-grade constantly some detailed risk management maps and well defined disaster response plans, in a region where typhoons are frequent.

v. Tentative Conclusions on the Role of Economic and Microentrepreneurship Rehabilitation in Post-Tsunami Disaster Management in South India and Beyond

The following conclusions are derived both from the Vembar case study presented above, and from comparative research work briefly conducted in the Nagapattinam district, Coromandel Coast, 170 kms south from Pondicherry⁹.

First tentative conclusion

In the case of post-tsunami management, the controversial debate introduced in the argumentary of this paper has to be revisited. Field observation shows that the core issue in the case of South India does not address the coordination or absence of coordination between humanitarian and emergency assistance institutions in the first place, and development and reconstruction agencies in a second period of the post-disaster calendar. In the case of Tamil Nadu, central and

local state agencies have been neither able to deliver sufficient relief by themselves, nor to coordinate domestic and foreign governmental and especially non-governmental assistance. The result has been that it is mostly domestic and foreign development co-operation NGOs, already present in the field prior to the disaster, which have reacted as rapidly as possible due to the size of the tsunami and also its mediatic dimension. In other words, these NGOs have transformed themselves in emergency relief organizations in a matter of a few weeks and months, even though most of them had no previous experience in the field and did not know how to find adequate guidance! Pure improvisation was adopted more than once under such circumstances, with little coordinating management and control by the Indian authorities. Yet, there has been some coordination effort in Tamil Nadu, in particular through the NGO Coordination and Resource Centre (NCRC), mainly funded by the Swiss Development Cooperation. The central question here is why the NCRC, which was established after the Gujarat post-earthquake management model, has not been so effective in Tamil Nadu? (Duyne Barenstein, 2006). In 2001, the Gujarati Government provided reconstruction assistance in cash directly to the affected households. A public-private partnership framework was put in place to channel NGOs' participation. The result was that rehabilitation was either supported directly and fully by the State, or equally shared between the State and the NGO involved in local rehabilitation. In practice, public agencies took the lead together with local owners and proprietors of physical and business capital lost in the earthquake, whereas NGOs covered less than 30% of the whole reconstruction effort.

Second tentative conclusion

One year and a half after a natural disaster like the tsunami is a reasonable delay for starting a

preliminary evaluation of whether and how far the massive inflows of aid to the Tamil Nadu coastal areas have included or not the economic dimension within their so-called livelihood recovery package, or limited themselves to pure emergency relief. As most of the aid has been channeled so far through domestic and foreign NGOs, without proper management and coordination by the Tamil Nadu government and local authorities (as underlined in the first tentative conclusion), and with a long series of difficulties, gaps and holes in the whole process, there is no documentation and yet too little ongoing field research to deliver an overall reply to this question. And most if not all NGO projects may claim at least on paper that their activities do include microeconomic development issues, directly or indirectly.

In the case of post-tsunami Tamil Nadu, it may be argued that direct livelihood relief assistance should not have gone beyond the restoration of pre-disaster economic conditions. However, most assistance has been primarily used for housing reconstruction and replacement of fishing equipments, beyond real or well evaluated needs locally. Paradoxically, very little relief has been channeled to any other sector of possible economic rehabilitation. Just a few NGOs have also provided assistance to coastal farmers in restoring the fertility of their lands affected by the tsunami invading saline sea water (Geethalakshmi, 2006). This sectoral overconcentration of aid has resulted in an oversupply of new houses and in a fishing overcapacity (estimated at 70% above pre-tsunami level).

Third tentative conclusion

This piece of research conducted in the Gulf of Mannar, with some additional brief and comparative visits further north on the Coromandel coast (Nagapattinam district) in the direction of Pondicherry,

demonstrates the multifacet complexity of the concept of livelihood recovery in itself.

First, there is no crystal clear frontier between the early and short term delivery of equipment and tools aimed at the rapid resumption of local economic activities (such as fishing and post-fishing activities for instance), and the longer term attempts to coach these activities back to pre-disaster levels and beyond. Livelihood restoration assistance should stop at that point, and it should be conceptually and practically separated from NGO interventions aiming at boosting more sustainable development through the diversification of locally existing activities in petty manufacturing or services, or through the incubation of alternative and new ones.

The discussion is further complicated by the differences and yet complementarity – at least in principle – between humanitarian and emergency relief agencies and development aid institutions, regarding their respective missions, strategies, policies, tools and instruments, but also project time frames and profiles of staff and management. The United Nations has started to coin the term of “relief-development continuum” with the meaning that there is no definite succession of phases from humanitarian aid relief to development cooperation for reconstruction, but rather some overlapping between the two.

An additional difficulty lies in the observation that many development agencies and NGOs tend to reproduce – in the name of livelihood rehabilitation – their own and respective development agendas. Why should they transform every single place affected by a disaster into a development cooperation area? This approach should be applied only to locations particularly and rather regularly vulnerable to natural disasters. In these locations, development agencies should primarily address such vulnerabilities and facilitate disaster preparedness as much as post-disaster rehabilitation, which is an agenda rather different from usual development cooperation programs conducted in developing countries rarely or never affected by dramatic catastrophes.

A final interrogation should be directed at local beneficiaries of pre- and post-disaster relief assistance. It should be carefully examined how and how far local affected populations are *ex-ante* and especially *ex-post* ready to become subjects of development cooperation programs. It may well be that they are just interested to be helped to restore their livelihoods in the shortest delays possible after a disaster, and to identify how to make best use of accessible financial tools and technical instruments to survive and restore their earlier conditions of living. They may know best what to do in given local conditions, and may not understand or be ready to absorb development intervention, and sometimes intrusion, at least beyond a certain point.

Fourth tentative conclusion

During the field research visit, it was initially felt that PAD and the Swiss NGO partner were perhaps lagging behind other donors and institutions elsewhere in Tamil Nadu in the capacity of boosting new micro- and small scale economic activities locally. However, observations in the Gulf of Bengal, Nagapattinam district, have shown that the situation was not more advanced there, even though the geo-economic location and the general socio-economic living conditions are far better than in the poor and marginalized Gulf of Mannar.

Later discussions conducted in August 2006 with Caritas India and Caritas International in Chennai have definitely confirmed this diagnostic. By mid-2006, Caritas International, which was able to raise total funding close to 100 million US dollars for tsunami relief, has not yet completed the construction and delivery of about 12,000 new houses. Therefore, it is only during the second half of 2006 that Caritas may start up the implementation of a substantial microentrepreneurship promotion program in South India.

Fifth tentative conclusion

An other central distinction needs also to be made between :

- (i) post-disaster projects addressing directly the rehabilitation of well identified economic activities and trying to boost microentrepreneurial initiatives in various sectors and sub-sectors, which have been clearly addressed by a rather limited number of projects,
- (ii) post-disaster reconstruction and repairing of basic infrastructure and housing, having potential multiplier and spillover effects upstream and downstream on the local economy.

A very limited number of projects can be classified in the first category, because the redynamisation of the local economy has not been identified as one of the reconstruction priorities, and secondly because most humanitarian emergency agencies and development NGOs have none or few competencies, skills and previous exposure in the sector of small and micro-entrepreneurship promotion. Such projects may also have less political and public visibility than some others dealing with reconstruction and rehabilitation sectors such as civil engineering, water sanitation, etc.

A vast majority of projects tends to have a meso- if not macro-level approach and to concentrate in hardware reconstruction areas such as delivery or repairing of housing, reconstruction of heavy infrastructure, rehabilitation of public services, etc. Micro-level knowledge of pre-existing economic activities and skills available locally before the disaster is simply lacking, or was never properly requested by policy makers (even in areas regularly affected by disasters), or would have required detailed and participatory surveys of real needs after a disaster such as the tsunami. The choice of technology and the implementation of such large-scale aid projects have hardly contributed to the boosting of the lo-

cal economy. They have relied on external and large contractors from outside, and this paper will not dwell here on the nature and frequency of malpractices among a wide range of public and private actors involved in official relief aid, particularly well funded in the context of the tsunami crisis. For example, in the housing reconstruction sector, flat roof cemented houses have been preferred to repairing or reconstruction of coconut or straw thatched roof houses (in the local traditional mode). Most if not all construction components and parts, including cement and steel, had to be sourced and transported from the far away capital city of Tamil Nadu, Chennai, and from elsewhere up to Dehli and Mumbai sometimes! If the option for less expensive and more comfortable thatched roof houses had been chosen, it would have immediately recreated local demand and given a boost to a wide range of formal/informal small units and labour established in various segments of the local construction sector and having deep knowledge of the physical and social environment within the district.

Sixth tentative conclusion

An other conclusion relates to the artificial division – at least in development aid terminology –, between the economic and social dimensions of post-tsunami recovery. On the contrary, livelihood reconstruction implies that economic rehabilitation cannot be just delivered from above, especially at the sub-district and village community micro-levels.

The livelihood positive impact of first economic aid delivery in the Gulf of Mannar fishing sector, sometimes as shown beyond expectations, could not have succeeded without a strong participatory approach. The role of local communities and SHGs, coached and encouraged by a local NGO such as PAD years before the tsunami has paid back. The empowerment of local fishing groups has proven to be effective after the tsunami, not only to channel

microcredit funding, but also to engineer from within the groups some micromarketing and microfinancial initiatives of their own (as described in previous sections) conducive to more sustainable livelihood development in the medium and long terms.

However, such impulsive contributions by a development NGO like PAD do not necessarily mean that local government and administrative institutions, down to the panchayat level, should be always considered as ineffective in the delivery of post-disaster assistance and livelihood restoration. Both local and foreign NGOs have the tendency to attribute systematically and often exclusively to their own interventions and merits what local institutions are somewhat also able to perform themselves. The experience of PAD shows that participative collaborations and linkages with existing communities and institutions can be pursued and bring concrete results locally.

Seventh tentative conclusion

The implementation of microcredit schemes in post-disaster management should also be discussed. Although the microfinance tool has become highly fashionable during the last decade, and especially since the United Nation Year for Microcredit, it remains to be seen whether the instrument is always adequate. As a matter of fact, microcredit is primarily a tool to boost microsavings and then try to cushion or improve, through microloans, the too high variations of income among the poorest and most vulnerable segments of the population, especially to meet sudden and unexpected expenses such as in the case of a health problem for instance. Only 15% of total microcredit activities worldwide contribute to support microproduction activities. Therefore, it can be questioned whether and how far microfinance should be primarily targeted to promote such activities, which often require more capital per project than microfinance can ever supply anyway¹⁰.

The case study of Vembar does not either completely refute or demonstrate the utility of microfinance, in particular in post-disaster situations. However, at best, it can be envisaged as one financial tool among others, which can for the better or the worst coexist with other financial practices such as money-lending through various types of channels, as long as access and service to formal banking institutions, whether public or private, cannot be delivered locally or in the vicinity. In addition, as shown after the Gujarat earthquake, local government can play a role in providing incentives in cash or kind directly *vis-à-vis* the affected households (Duyne Barenstein, 2006).

Eighth tentative conclusion

If the first phase of delivering post-tsunami economic recovery can succeed to some extent, as illustrated in this paper, it has been also established that a second phase aiming at the identification and impulsion of alternative and new microeconomic initiatives have been far more difficult until the present day. First, the fine chemistry for starting up new small business ventures is never guaranteed, even under “normal” conditions (meaning absence of a natural disaster or other calamities). Second, most local NGOs, both domestic and foreign ones have little or no expertise on this front, especially in a post-disaster context, meaning that they have neither staff nor skills to properly identify potential markets and feasible access to supportive financial and technical services in order to supply appropriate quantities and quality matching existing demand.

Yet, more fundamentally, the question must be raised whether the business development objectives of a second phase are not out of scope of post-disaster reconstruction itself. Where does post-disaster reconstruction start, and especially where should it stop and pave the way for the resumption of development cooperation as a normal tool? Of course, this

would not prevent local and foreign donor actors to use their post-disaster presence on the ground as a good opportunity for more long term development cooperation in the same area. Such an opportunistic approach could still have some direct or indirect meaning for post-disaster management, as it could help working on long term and sustainable development issues, especially in countries and regions frequently affected by natural calamities. However, it remains to be seen what are the international agencies and funds available for such long term commitments. Perhaps just a few developed countries, such as Japan, meet this enormous challenge, and mostly with their own national means. Where does it leave least developing countries, regularly affected by large-scale catastrophies, such as Bangladesh, or backward regions of emerging nations like Bihar, Orissa or ... Gulf of Mannar, Tamil Nadu, India?

Note 9: It was also debated on the occasion of the debriefing seminar given at the IITM Department of Civil Engineering by Swiss colleagues, Dr Jennifer Duyne Barrenstein and Dr Daniel Pittet and titled *Towards sustainable reconstruction in Tarangbadi and Chinnankudi, Nagapattinam district*, on August 5th, 2006.

Note 10. The reader can consult the various publications and on-going research projects carried out on microfinance and poverty alleviation in Tamil Nadu and other parts of India by the French Institute in Pondicherry, and by Prof. Jean-Michel Servey and Dr Isabelle Guerin in particular.

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VII. Annex

Peoples Action for Development (PAD) was initiated in August 1985 and registered under the Society Act of 1976. Armed with proven field experience in mobilizing the rural poor in the Virudhunagar District through participatory rural appraisal for almost a decade, its core team of half a dozen professionals, under the guidance of grass-root academician, Prof. Rangasamy, decided to work specifically in the Gulf of Mannar belt falling within the Ramanathapuram and Thoothukudi districts.

The major focus group or target sections are the coastal poors, small and marginal farmers, landless people, dalits, children in difficult situations and women in general. In order to reach a desirable socio-economic equity and gender justice both in family and community at the grassroots level, PAD pursues a combination of economic and social objectives.

PAD's Field Office is located in Vembar whereas the Coordination office is in Madurai. Today the organization can count on about 50 staff members.

At the national level, PAD has taken a lead to initiate a network of NGOs active in the Southern districts of Tamil Nadu and called SINFPAD (Southern Initiative NGO Forum for Participatory Action and Development).

At the international level, PAD has established collaborations with :

The Siemenpuu Foundation, Finland,

HIVOS, Netherlands,

MIVA, Netherlands,

Norwegian Human Rights Fund, Norway

Terre des Hommes, Germany

Terre des Hommes Suisse, Geneva, Switzerland, and more recently with Canada (children protection).



