

PRESS RELEASE

ILO Calls for Integrated Employment Strategy for Tsunami Reconstruction Says Estimated 1 Million People Lost Livelihood

GENEVA (ILO News): The International Labour Office (ILO) today urged that “employment-intensive” job creation strategies be integrated into the humanitarian and reconstruction response to the earthquake and Tsunami disaster in Asia that destroyed the livelihoods of an estimated 1 million persons in Indonesia and Sri Lanka alone.

In a strategy paper ^{1/} issued by the ILO Regional Office in Bangkok and to be presented to donors at a five-day U.N. Conference on disaster reduction that opened in Kobe, Japan Tuesday, the ILO said the response to the Tsunami tragedy requires “employment-intensive recovery, giving special attention to the needs of the most vulnerable groups and the reestablishment of social protection mechanisms”.

The ILO also pledged to coordinate its effort with “wider government and multilateral efforts”.

The flooding of coastal areas, causing the destruction of homes and buildings, roads and bridges, water and electricity supplies, crops, irrigation and fishery infrastructure, productive assets and small businesses, has had a severe impact on the livelihoods of people in the most affected areas, the ILO said. What’s more, the impact on the predominantly poor communities, where people mainly live off the sea and marginal land, has cost people not only their incomes, but also most of their meagre possessions.

Initial Assessment: 1 Million Jobs Lost

Noting that all estimates are preliminary and that the situation was evolving rapidly, the ILO strategy estimates the effects of the disaster on employment and livelihoods as follows ^{2/}:

Indonesia:

- Around 600,000 people in the most affected regions in Indonesia (Province of Nanggroe Aceh Darussalam and the island of Nias) may have lost their sole source of livelihood. The majority of job losses are in fishing, small scale and plantation agriculture and unregistered small businesses.
- The unemployment rate in the affected Indonesian provinces could be 30 per cent or higher, up dramatically from the 6.8 per cent rate in the provinces prior to the disaster.
- Before the Tsunami, around 9.7 million individuals were unemployed in all of

Indonesia, which means that the country's total number of unemployed may have temporarily risen by as much as 6 per cent as a result of the crisis.

Sri Lanka:

- Over 400,000 workers in the affected districts in the eastern, southern and western coasts have lost their jobs and sources of income. The majority of job losses in Sri Lanka have occurred in the fisheries, hotel and tourism industry (including eco-tourism, which was starting to expand) and the informal economy.
- The unemployment rate in the affected provinces probably rose from 9.2 per cent prior to the disaster to more than 20 per cent.
- Before the Tsunami, around 725,000 individuals were unemployed in all of Sri Lanka, which means that the country's total number of unemployed may have temporarily risen by 55 per cent or more as a result of the crisis.

However, the ILO strategy document also notes that adequate aid and support, mobilized rapidly for the reconstruction, repair and replacement of physical infrastructure, including workplaces, and equipment and for livelihood and job recovery, and the (re) establishment of social protection systems, could result in between 50 per cent to 60 per cent of the affected individuals being able to earn a living for themselves and their families by the end of 2005 and that around 85 per cent of the jobs could be restored within 24 months.

The ILO Response Strategy^{3/}

The ILO response is based on the recognized need for early planning and action aimed at generating employment and new forms of earning a livelihood, the ILO strategy document says, adding "Employment is core at all stages of disaster management and response. It is an immediate as well as a development need, thus requiring that job creation be an integral part of both humanitarian and reconstruction response."

The main elements of the ILO integrated response strategy are:

- Employment-intensive infrastructure reconstruction to quickly generate jobs and income while rebuilding basic infrastructure, developing technical and other skills and promoting social cohesion;
- Livelihood programmes through local economic development (LED) to promote rehabilitation and recovery and boost employment opportunities through developing and enhancing businesses and employment, social finance schemes and employment-friendly investments;
- Recovery of the labour market and emergency public employment services to replace or strengthen labour market institutions, public and private education and training institutions and employment offices;
- Projects aimed at protecting vulnerable groups, including children who have lost parents and who are exposed to the risk of being trafficked or exploited, young people who have lost work or are under-employed due to the disaster, women, especially widows and heads of households who may be more exposed to gender bias, discrimination, and abuse, and migrant workers, who are left out of social support and assistance programmes; and,

- Social safety nets and social protection catering to people in both the formal and informal economy as a way of ensuring social stability and improving prospects for recovery.

“In all these areas, the ILO has an extensive knowledge base and tools, technical expertise for delivery of action programmes and policy advice, and a long record of practical experience and lessons learned,” the strategy says.

At the same time, the ILO said it was also redirecting existing and relevant ongoing technical cooperation projects to focus on the affected areas and groups (for example: the US Department of Labor (USDOL) has already approved US\$1.5 million for Indonesia and US\$500,000 for Sri Lanka under programmes to address the problem of vulnerable children). The ILO said it had also redirected its own regular budget resources to support immediate action.

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^{1/} See “Earthquake-Tsunami Response: ILO Proposals for Reconstruction, Rehabilitation and Recovery”, www.ilo.org.

^{2/} In India and Thailand, the ILO has been working with the United Nations Country Teams (UNCTs), the government and workers’ and employers’ organizations to see how the ILO can support their initiatives, including helping to identify and respond to labour market, employment and social protection needs. In terms job losses, Indonesia and Sri Lanka saw the most lost jobs of the countries in the region affected by the disaster.

^{3/} The ILO has been working with the UN Country Teams (UNCTs) in Indonesia, Sri Lanka, Thailand and India, particularly on rapid damage and needs assessments. Partnership has been strengthened with key agencies such as UNDP, UNHCR, UNICEF, WFP, FAO for coordinating responses and joint action. The ILO established a task force in its Bangkok Regional Office and at its headquarters in Geneva, and has reinforced technical staff and support facilities in its offices in Jakarta and Colombo, Sri Lanka to conduct immediate assessments, prepare project proposals, coordinate dialogue among its tripartite social partners and initiate rapid action programmes aimed at employment creation and the protection of vulnerable groups.