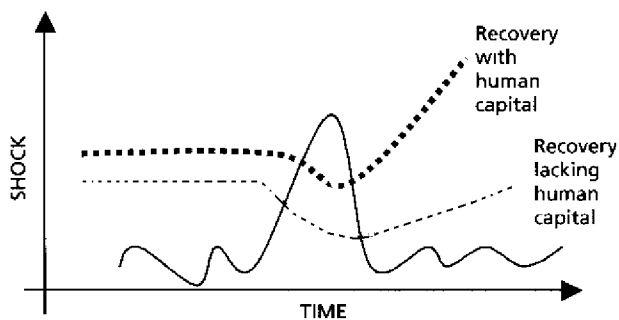


Reducing livelihood risk: the human capital approach

Even during normal conditions, the urban poor live in a dysfunctional society with their livelihoods under constant threat, daily food intake in an imbalance, and limited access to health facilities and safe water. Disasters attack the precarious security or asset base of the poor and increase its rate of erosion. Livelihoods of the urban poor feed them, keep them clean and healthy and provide them a shelter and education for their children. Unless their livelihoods are protected, their security will continue to get repeatedly erased and discarded when a disaster strikes.

The study unearthed some aspects that influence recovery of livelihoods of the urban poor in Bhuj three years after a disaster. The study shows that human capital of the urban poor, as a result of good development indicators like literacy, awareness and availability of micro-credits, can govern the post disaster recovery and reduction of risks to urban livelihoods. Post disaster recovery in Bhuj showed clear differences in recovery patterns with those with human capital clearly at an advantage (see graph). Human capital is therefore an important and crucial link to reduction of livelihood risk.

Conversely, literacy rate of the region, availability of micro-credit/micro-insurance, market linkages for products that the urban poor makes and saving patterns can be used as indicators for risk assessment of the region



On this perspective, action steps can effectively protect livelihoods from disaster risks, and simultaneously speed up recovery is suggested below. In succeeding boxes, examples of some attempts made by organizations in the same direction are provided⁵

- 1) Literacy is a crucial link between poverty and disaster risk reduction. When people in a community have the freedom to develop and the capacity to grow in the direction they chose then we say that the society is empowered. The awareness of rights and the confidence in their ability to manage crisis in their stride is the greatest contribution that literacy, and the associated skills and confidence that literacy gives, can provide to poor people affected by sudden disruptions to their lives. Initiatives for skill and versatility development must be developed for those whose occupations and livelihoods remain unprotected, uncompensated and vulnerable in low-income areas of cities. Spread of education across low-income and at risk population can reduce recovery time and efforts. The demographic profile, geography and diversity of the people demand a need based capacity building. Providing better living and working conditions for the slum dwellers and better chances for education should be a priority for most urban rehabilitation agenda actions.
- 2) Relief agencies should take effort to find out what the region wants and take account of their skills prior to any disaster and support and augment them accordingly. When livelihood tools are given, market links should not be missed out. When incomes are generated sustainability beyond project life should be thought of. When livelihood needs are supported the measures should be down top, inside out, sustainable, with links to the market, timely and in suitable scale. Impact of relief on local markets of the poor among the victims has to be better understood. To ensure that relief and rehabilitation should not strain the local livelihoods a strong database of livelihoods of the region should be maintained which will include comprehensive information on the livelihood type, resources available locally to support them and market linkages that exist during normal times from and to the livelihood location. This information should be made available to the intervening agencies which should take care in strengthening weakened or damaged links rather than creating new unsustainable links.

Box 2: LRF and Micro-Mitigation

LRF provides services specifically targeting disaster mitigation and recovery through livelihoods such as livelihood recovery planning and other key trainings. Examples of such activities are the literacy and basic education services sponsored by LRF in Bhuj. (Outgrowths of the study have indicated the direct link between literacy and disaster mitigation for livelihoods.) These literacy activities include early education through Child Care and Education Centers (Anganwadis) and adult literacy training. In addition, eleven capacity building cycles were conducted in Bhuj, focusing on disaster preparedness, SPHERE standards, emergency food and nutrition, safer shelter construction, among others.

LRF has a very clear and direct approach to address the issue of basing relief on need. Provision of relief is demand-based, balanced by the demonstrated ability of the beneficiary to use what he or she gets to recover and develop. For example in Bhuj, the range and variety of livelihood support that DMI has given is long. The beneficiaries were given sewing machines, shops, drums, donkeys, cows, horses, bangles, teashops, hand-pushed carts and wheelbarrows. GIS maps are being developed for low-income habitats in Bhuj that will include all the resources available, security-wise and facility-wise within Bhuj and those that are required from outside. Maps of three slum areas are ready for use.

LRF beneficiaries have joined hands with DMI to create the Chamber of Commerce and Industry of Small Businesses (CCISB), which will further assist them and other qualified relief-applicants in their continued livelihood recovery. By providing well-targeted financial and non-financial services, CCISB assists in stabilizing and strengthening the livelihoods of the disaster-affected, vulnerable poor of the Bhuj slums. The creation of the CCISB's is DMI's investment in the slum dwellers' future.

- 3) Access to low interest credit and insurance to urban poor can raise their asset base and improve their coping mechanisms in the short and long term. Increase in livelihood opportunities with matching access to infrastructural resources in urban slums must be a priority. Saving mechanisms that incorporate the earning and expenditure patterns of the slum dwellers have to be developed and the habit of saving have to be promoted among them. Donors should support experimental activities through venture funds. There are many reasons in favor of initiatives focusing on micro-credit/micro finance. It can achieve much in terms of smooth recovery of poor livelihoods and protecting them from future disasters.

Box 3: Linking women

Self-Employed Women's Association (SEWA) is a membership-based trade union working for income security of women for nearly three decades. Three of SEWA's initiatives in livelihood risk reduction are truly innovative and deserves mention. These include SEWA Trade Facilitation Centre (TFC), Livelihood Security Fund (LSF) and Core Sale. (Refer www.sewa.org).

- SEWA TFC: SEWA has taken several initiatives towards facilitating marketing efforts and establishing marketing linkages for poor women. STFC is a major initiative with a thrust on marketing of craft products made by them.
- Livelihood Security Fund (LSF): The main objective of this fund is to ensure that positive experiences in using new and innovative economic activities as tools to combat disasters are extended to all the disaster affected areas as measures in disaster proofing and ensuring livelihood security.
- Core Sale: In order to strengthen the livelihood of artisans, the textile workers and the handloom workers and garment workers of Gujarat, STC, Government of Gujarat and National Institute of Fashion Technology have come together to form the 'Core Sale' - an enterprise to upgrade skills, provide sustained work and employment opportunities to the workers in the informal sector. (Gujarat has a rich tradition of handicraft)

- 4) Disasters can be a spur for massive investment in reducing risk to infrastructure. The plans for reconstruction of Bhuj are futuristic, advanced and earthquake-proof. Four lane roads and an upcoming new airport are converting Bhuj into a prominent town in Gujarat. The benefits to the poorer sections, however, still have to filter down. During the post disaster scenario, the slum dwellers have to be empowered to exercise their rights and realize opportunities in the rehabilitation, relocation and poverty alleviation schemes. The spatial and locational needs of their livelihoods have to be given maximum importance. Special work and business areas for livelihoods of the weaker sections must be developed within the framework of the urban planning and reconstruction plans of disaster-prone urban pockets. Also, any relief, rehabilitation and mitigation efforts that reach cities should reach slums.
- 5) Build not use local resources. Any risk reduction measure when reaching the grassroots of the community it works for has to simultaneously be able to empower them. Fortification of human capital has to be undertaken in consultation,

communication and co-operation between the local micro and macro agencies, in the process expanding partnerships and synergy for effective and efficient implementation. There is a need to develop a symbiotic relationship between the community and outside actors. The target community should be the agents of preparedness and focal points of information dissemination to the community. Every step that is taken in the selected area should be in consultation with the community that the intervening agency seeks to serve. Once this is achieved, the community feels sense of ownership of the

process, which helps the three partners (community, the local agencies and the intervening agency) to maintain a direct and transparent relationship.

- 6) Urban intervention of humanitarian agencies has to be up-scaled. Compared to their activities in rural disaster mitigation, the work by humanitarian agencies in urban areas (in Gujarat) is insignificant. While there are successful interventions by local organizations, mostly the urban vision is focused, sectoral and small-scale. In India, with the poverty flux clearly shifting to urban areas from rural, there is a definite need to shift from a minute intervention approach to a more wide-scale approach in urban pockets.

Box 4: Protect assets

UNDP has initiated livelihood approaches, dovetailed them into rehabilitation programmes for effective drought mitigation and consequent disaster risk reduction. These are classified into three areas that include:

- Structural Measures – UNDP in partnership with Kutch Nava Nirman Abhiyan (KNNA) has supported drought proofing with watershed development projects and repair and reconstruction of structures that were damaged.
- Non- structural measures – UNDP in association with the Government of Gujarat, and local NGO networks has set up the Kutch Ecology Fund (KEF) aimed at supporting and facilitating the planning and implementation of initiatives towards long-term recovery and drought proofing of the region.

Conclusion

The poorest in the society can benefit from the advantages of overall economic development only when their social development is in sync with the development of the country. Conversely, the improved development indicators can (a) mitigate disaster risks and (b) speed up recovery). Protection of livelihoods of the disaster prone urban poor delivers them from the debilitating impacts of the threat-hazard-disaster continuum and is a point for convergence for social development and risk reduction initiatives in urban areas in developing countries. Investment in human capital will work.

- 1 A partial list consists of:

Small businessmen: pan shop, tea stall, garage, barbershop, etc.
 Small-scale vendors: vegetable hand lorry, chocolate and biscuit selling, etc.
 Home-based workers: stitching work, embroidery, milk producing, cowherds, etc
 Labourers: masonry, carpentry, scrap collection, etc

- 2 The objective of DMI's Bhuj Reconstruction Project (BRP) set up in January 2002 is to reach out to a large section of the slum dwellers, in 36 slums of Bhuj, people who needed immediate help but were ignored during relief. At present, DMI works in 18 slums in Bhuj in which is home to around 32,000 people. BRP has enabled the creation of a group of motivated slum dwellers to form a network — called 'volunteers' — to work for their community. They have formed Slum Area Committees (SAC) in their respective slums to organize and work to improve their living conditions. This group played a central role in the survey.
- 3 The graphs in this section are adapted from the presentation 'Economic Recovery Survey' by Jeremy Drucker, Architect Planner with Bhuj Reconstruction Project (BRP).
- 4 The sample was comprised of livelihood relief beneficiaries of a Livelihood Relief Fund (LRF), which has a policy of beneficiary selection that is positively biased in favor of women.
- 5 The examples given are certain effective strategies and action steps that contribute to livelihood risk reduction (and have worked on the ground). To preempt the risk of limiting the boundary of the study to LRF, and to provide a holistic view of the livelihood approaches in Gujarat, this section has embedded into it, innovative measures that other organizations have undertaken in other regions of the state. These include a few references to rural livelihood risk reduction initiatives as well.