

# Recovery of Livelihood through microfinance and income generating activity:

## A case of fishing Community affected by Tsunami

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February 5, 2007

# Introduction

## ➤ Impact of the tsunami

- Fishing communities have heavy damage to fishing boats, fishing gears and production loss in aquaculture.
- The tsunami lead affected-people to poverty

## ➤ Strategy for tsunami recovery

- Immediate relief and rehabilitation
  - Compensation, foods and medicines
- longer-term recovery program.
  - Microfinance program
    - ✓ Village-based revolving fund
  - Income generating activity
    - ✓ Self-help groups (Trading, handicraft)

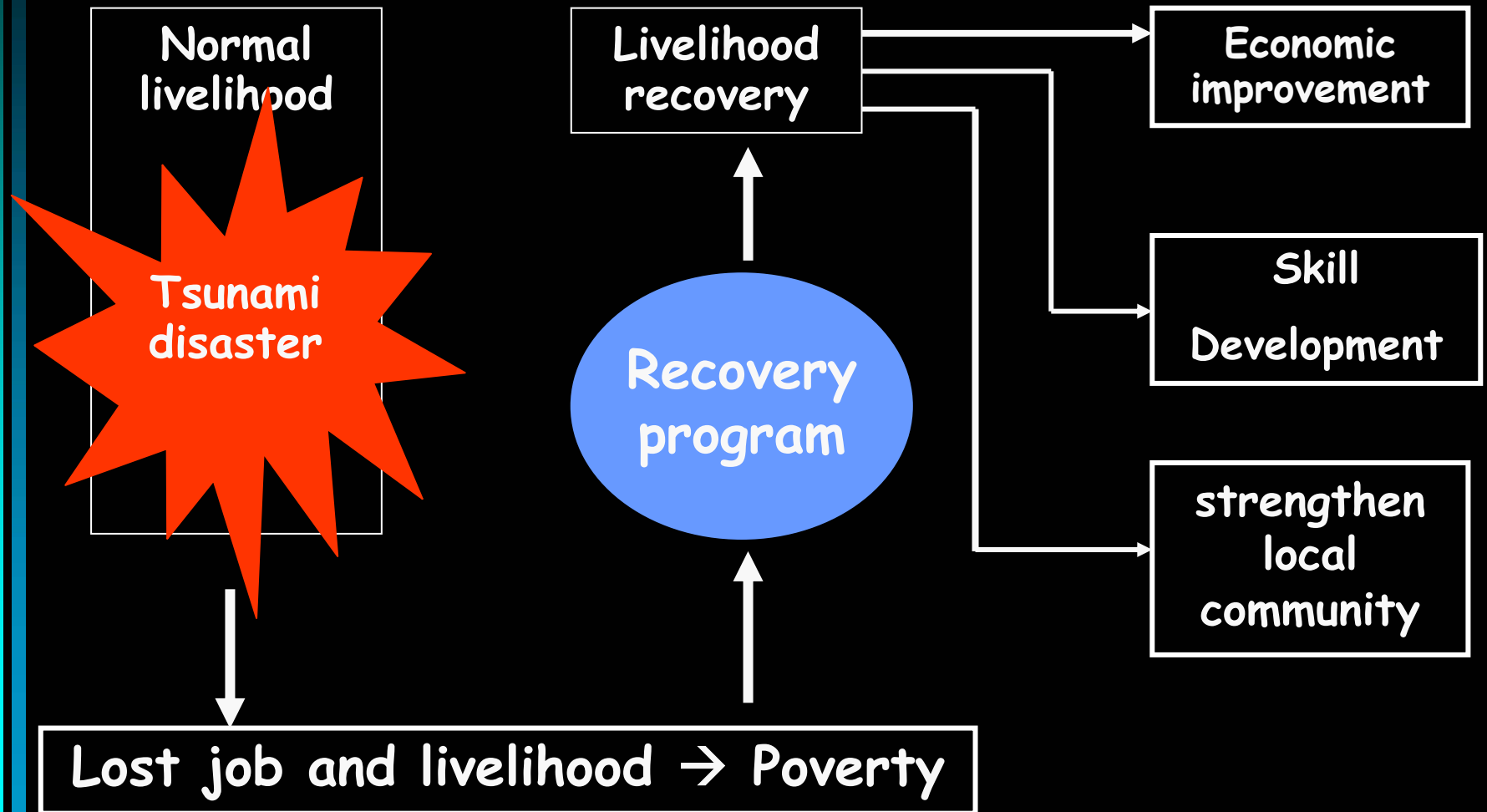
## ➤ Microfinance and income generating activity

- Microfinance can help by provided loan to people without income or livelihood for the eventual use of financial services.
- Relief agencies is not focus only on credit, they also give people design business to meet the real needs.
- Two mechanism can be developed a long-term strategy to more effectively engage in financial service and occupational skill with a strong commitment to sustainability.

# Objectives

1. To investigate the recovery program, focusing on microfinance and income generating
2. To find out the recovery of household economy base on microfinance and income generation.

# Study framework



- Khao Thong & Ao Luk Noi sub-districts (Tambon)

- 6

# Methodology

## ➤ Data Collection

- Primary data

- Structure and semi-structure interview
- Focus group
- Observing group activity

- Secondary data

- Research papers and statistics documents

## ➤ Analysis

- Descriptive and statistics such as percentage distributing, rank and mean that were calculated and describe the results.

# Findings





## ➤ General households information

1. Gender	male 47.7% , Female 52.3% (Total 88 respondents)
2. Age	average 40 years old
3. Education	primary school
4. Family size	average 4 people
5. Main occupation	Fisheries
6. Sub-occupation	Agriculture

# ➤ Livelihood Recovery programs

(Khao Thong)

Village-based revolving fund

(April 2005)

- Loan
- Saving
- Fund for Funeral

Canoe tourism group

(July 2005)

- Services
- Training (English)
- Marketing

(Ao Luk Noi)

Women batik making group

(April 2005)

- Production
- Training
- Marketing
- Outside community visiting

Community-based store

(February 2006)

- Credit transaction
- Financial Training

## ➤ Livelihood recovery programs and provider organizations

Recovery program	Provider
1. Village-based revolving fund program	CARE foundation
2. Canoe tourism activity	The Ministry of Labor and local people
3. Women batik making	World vision foundation of Thailand (WVFT) and CARE foundation
4. Community-based store	CHARM (Coastal Habitats and Resources Management)- supported by the EU

# Case studies

## Khao Thong Sub-district



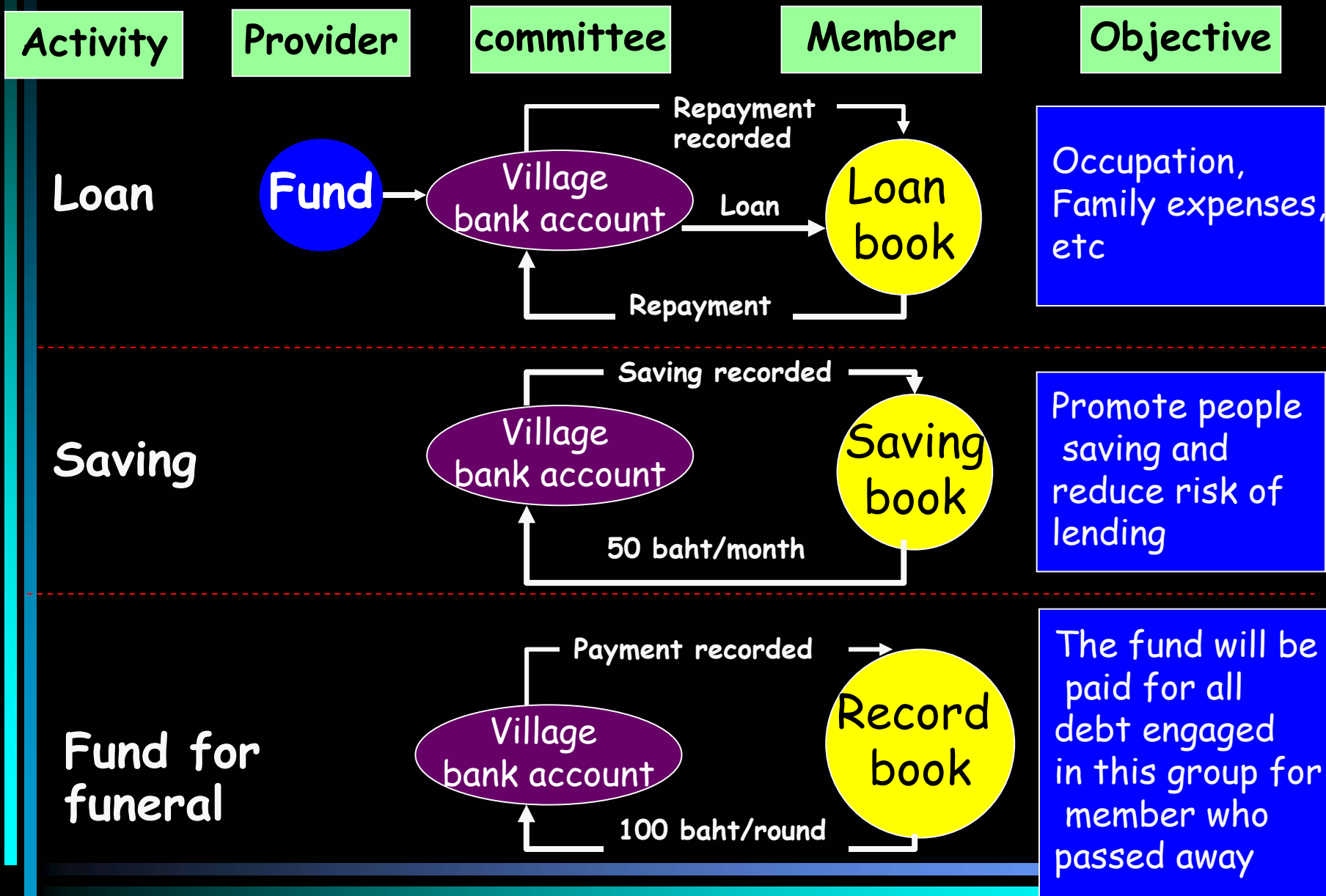


# I

## Village-based revolving fund



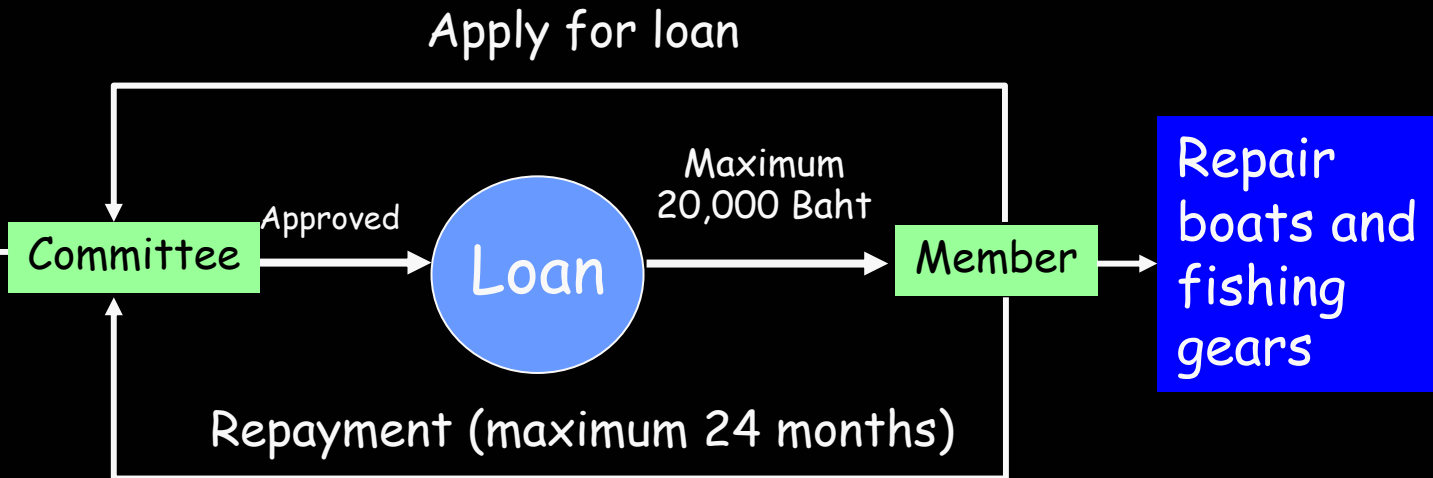
# ➤ Revolving fund activity



## ➤ lending method

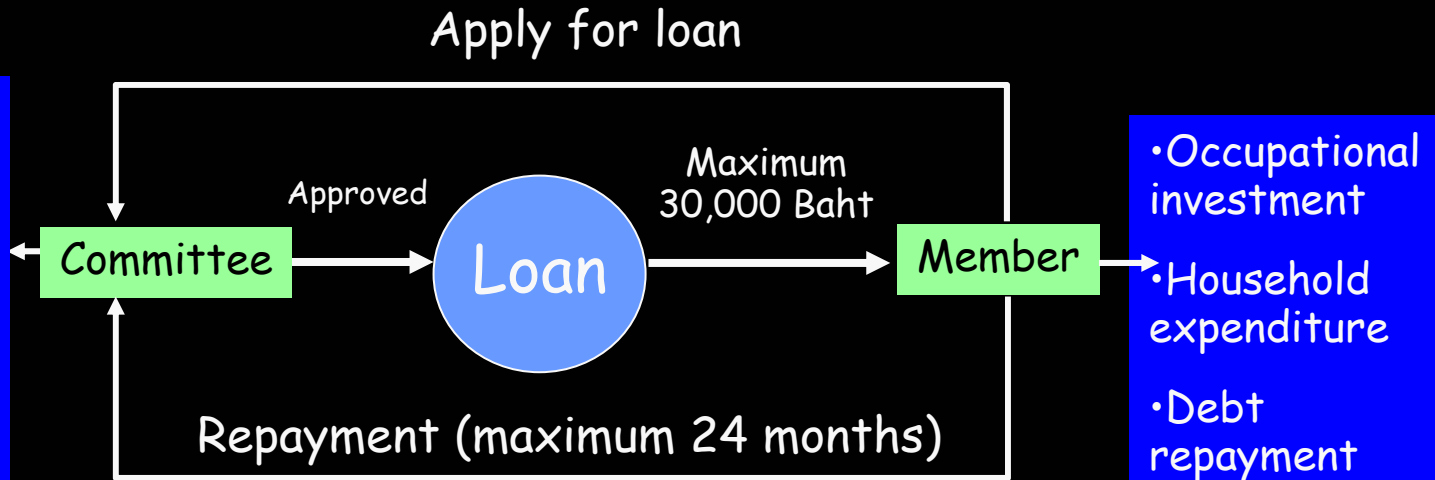
2005

Check  
damage-  
value of  
boats and  
fishing  
gears



2006

- Purpose of borrowing
- Saving amount/frequency
- Credit history



## II

# Canoe tourism group



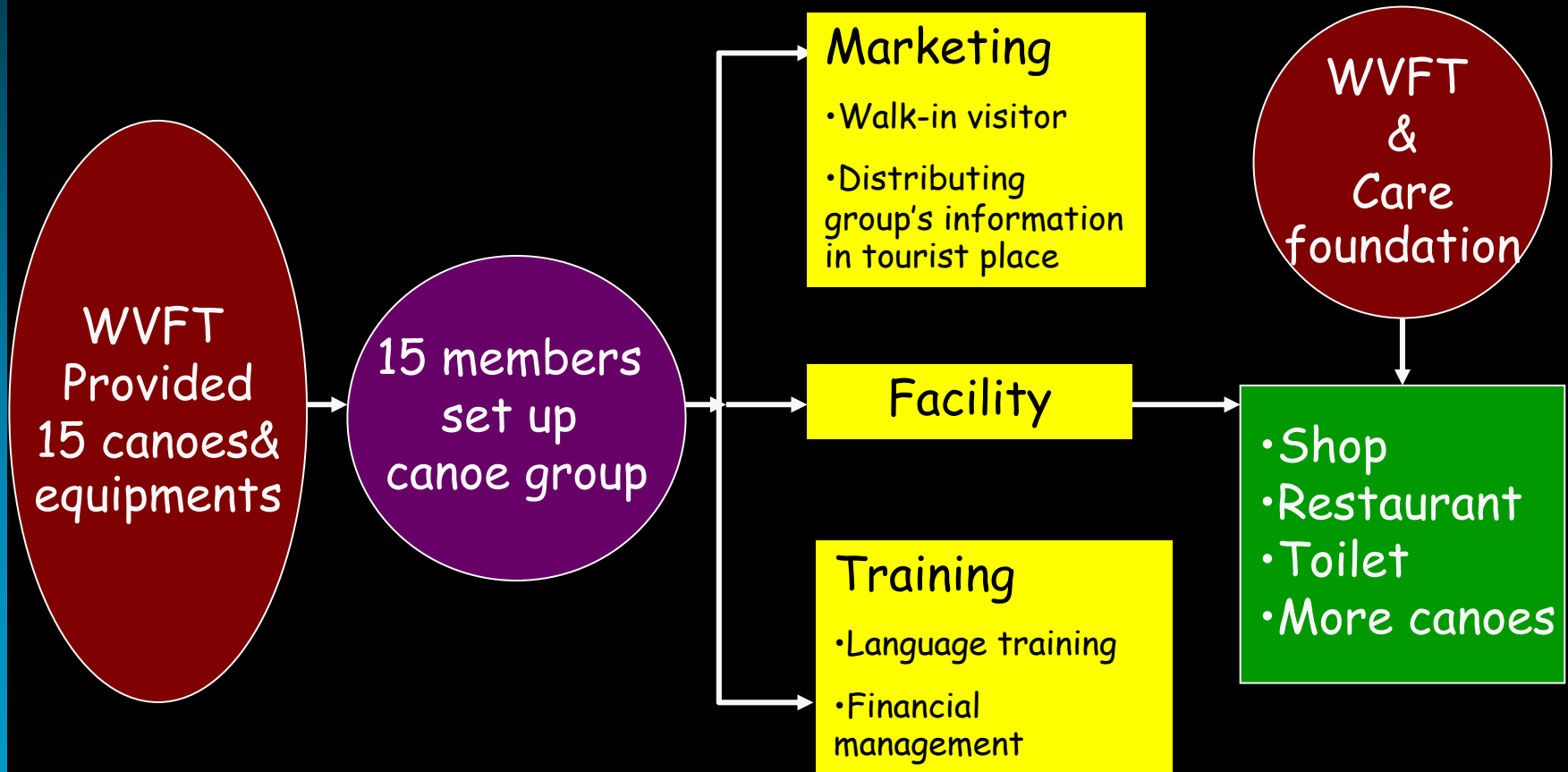


# ➤ Establishment and activity

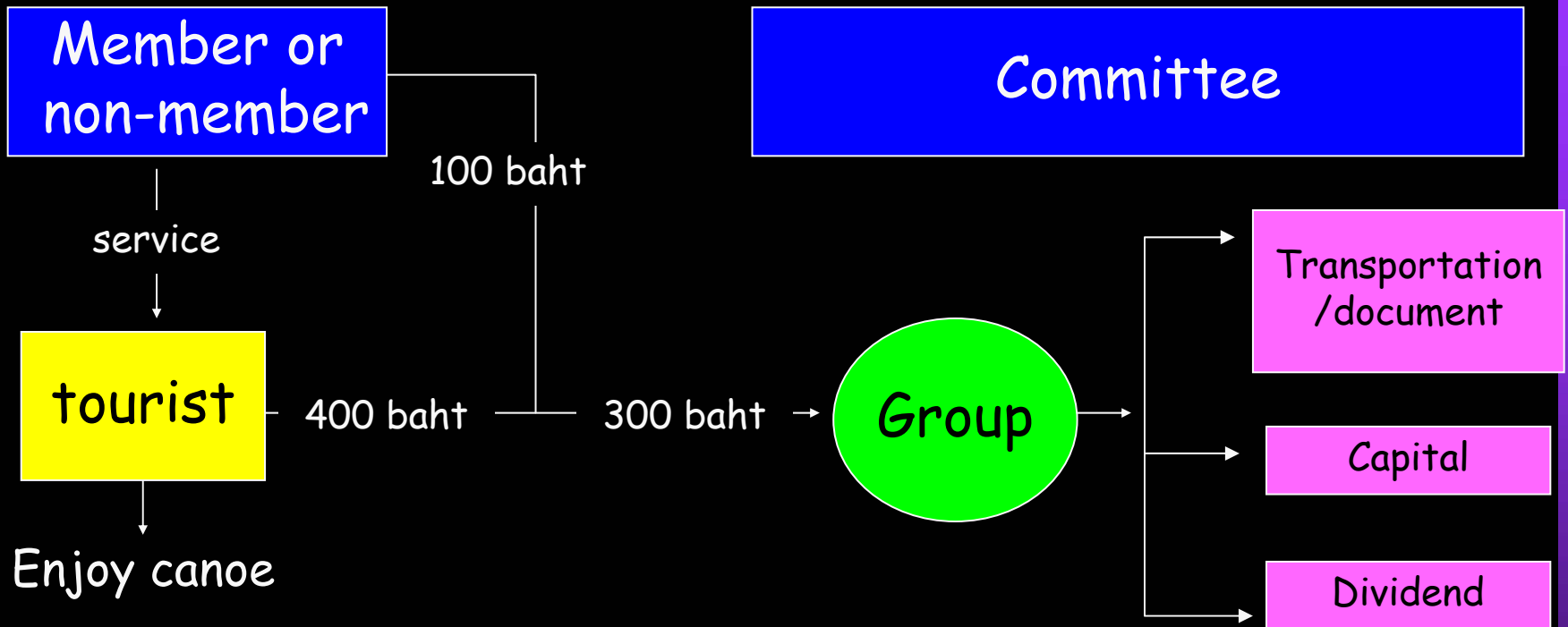
Starting

Ongoing activity

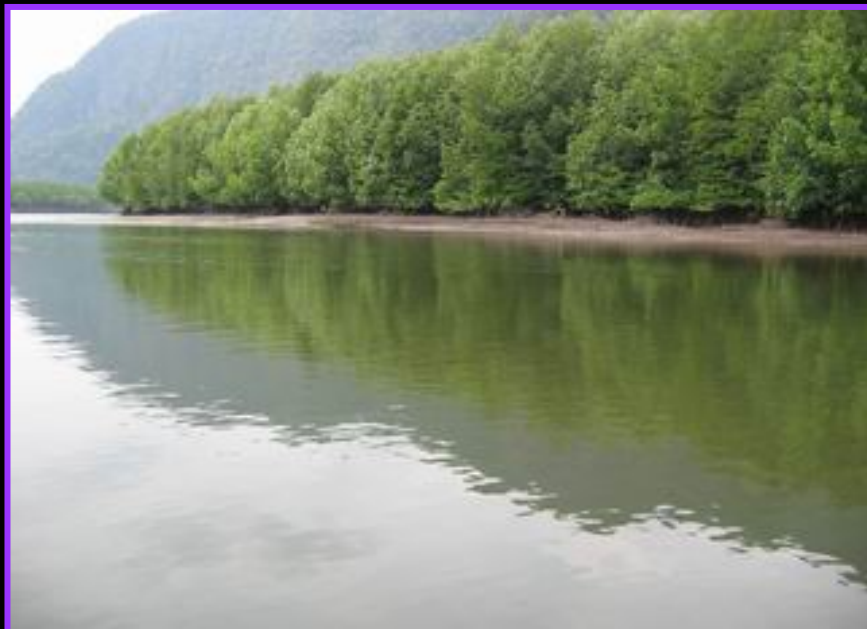
Project/plan



## ➤ Group's performance



- First year performance group earned income 60,000 baht and member received dividend 3,000 baht/person
- High competition among same business





# Case studies

## Ao Luk Noi Sub-district

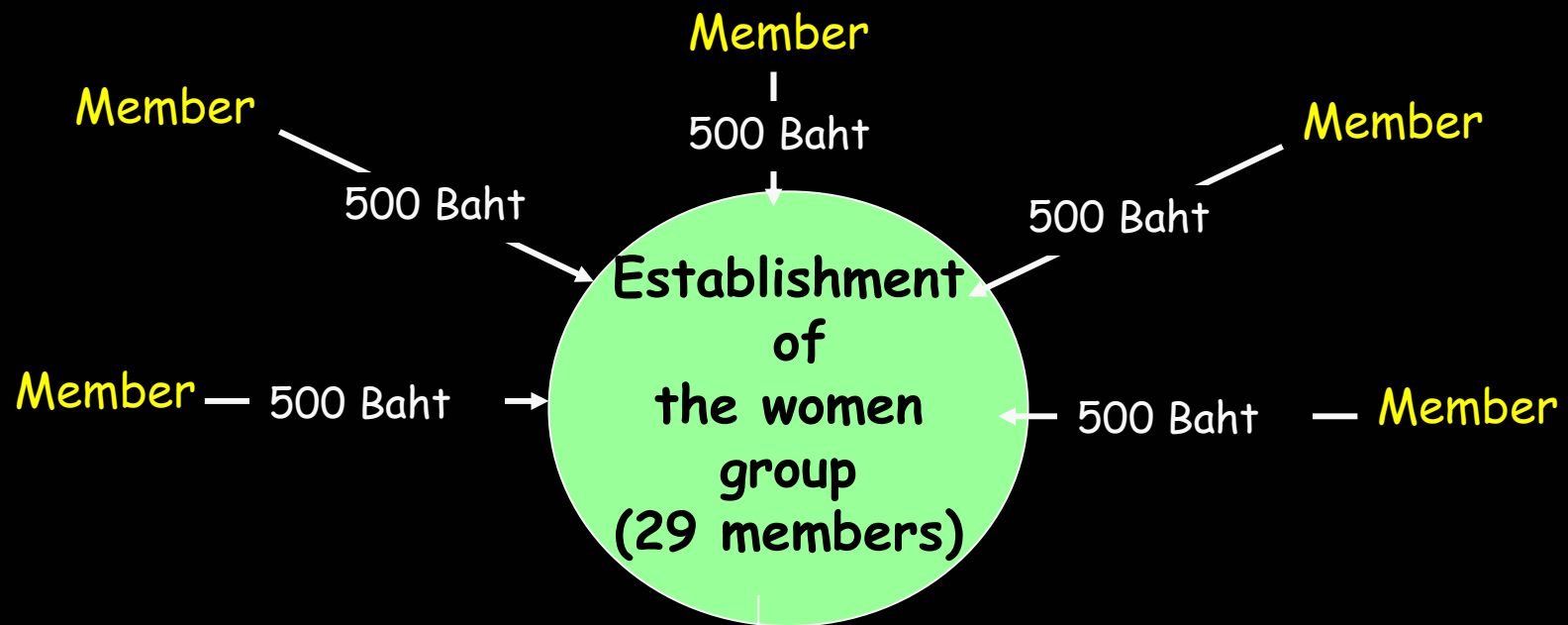


### III

## Women batik making group



## ➤ Establishment and activity



### Production

- new design
- increase product volume

### Training

- for newcomer by group leader and assistant

### Marketing

- OTOP
- Exhibition show

### Visiting tour

- skill development
- Marketing channels

## ➤ Group's performance

- Orders are pouring in from nearly communities, central and northern part of Thailand.
- Group's profit will be used for buying materials and future investment. Dividend will be not calculated for member.
- Women who work at group are able to earn monthly income on average 2,650 baht. It is one-third of household monthly income.
- Group need new working place because current place is venerable to weather.





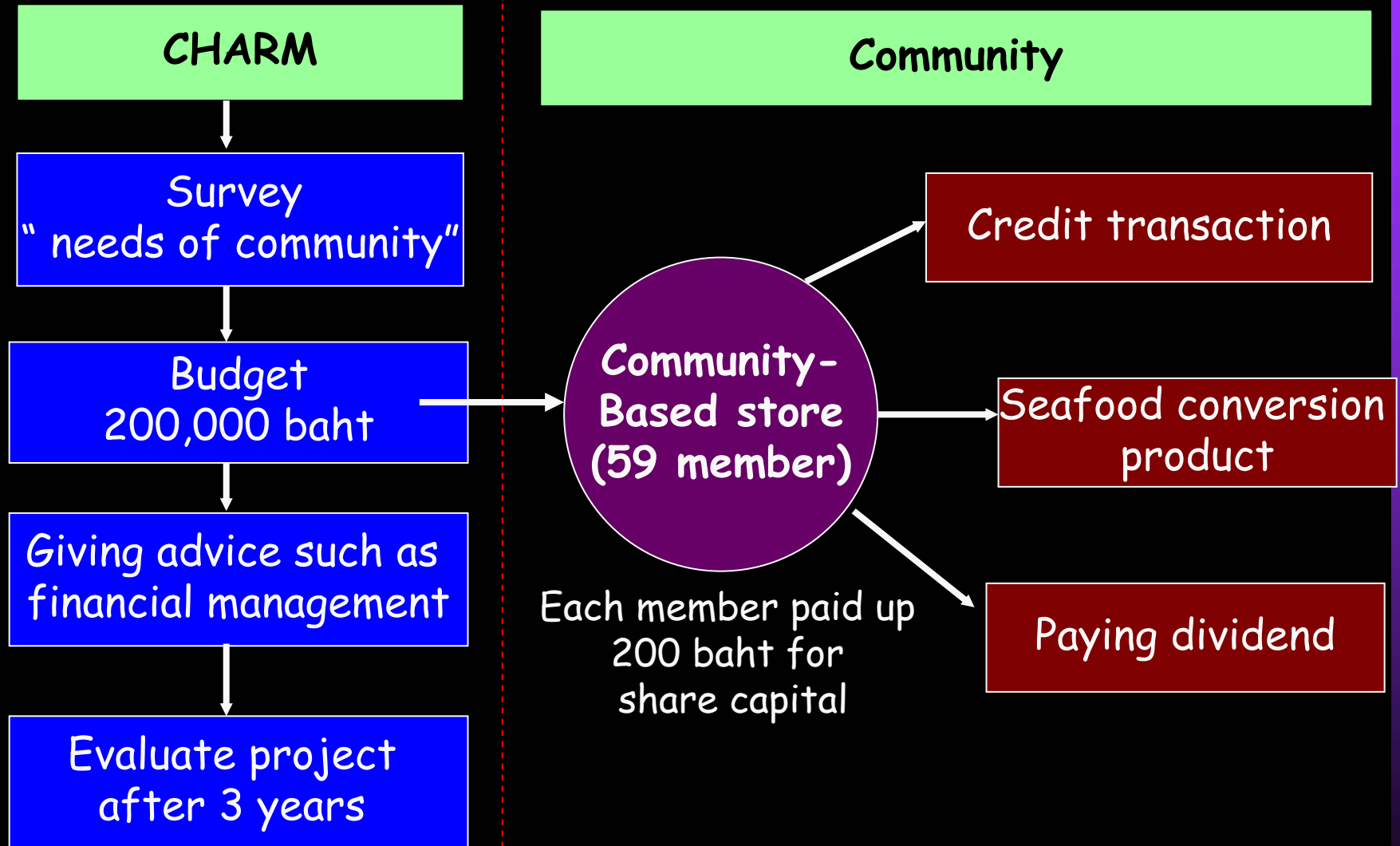


# IV

## Community-based store



## ➤ Establishment and activity





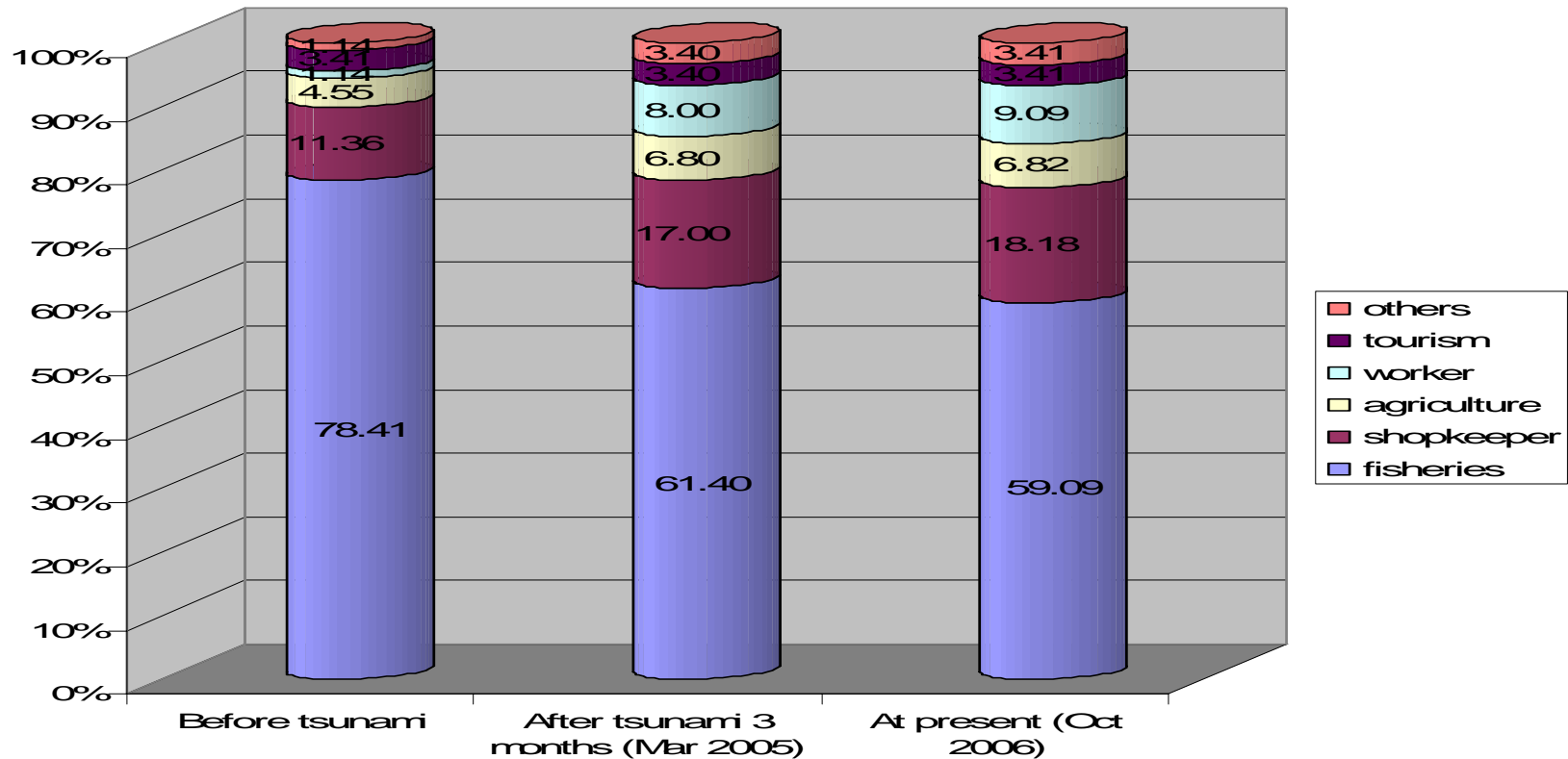
# Recovery of Livelihood



## ➤ Outcome of recovery program

purpose	Revolving fund	canoe	batik	store	Overall
1. Occupational investment	1 (63.42%)	2 (33.90%)	4 (4.45%)	2 (28.57%)	1
2. Support family expenses	2 (18.06%)	1 (38.98%)	1 (48.89%)	4 (7.14%)	2
3. Skill development	3 (14.35%)	3 (22.03%)	2 (33.33%)	3 (21.43%)	3
4. Increase in saving		4 (5.09%)	3 (13.33%)		5
5. Debt repayment	4 (4.17%)				5
6. Purchasing power				1 (42.86%)	4

# ➤ Changes of household occupation



- Before tsunami, almost 80% of people engaged in fisheries.
- After tsunami, fishery is decreasing and occupation diversify in many income sources.

## ➤ The success of tsunami recovery program

Issue	indicator	%	direction
The recovery program have been improved livelihood of people in affected-areas	Engagement in occupation	100.00	-
	Income	57.95	increase
	Support family expenses	63.64	increase
	Saving	61.36	increase
	Debt	39.77	increase
	Household's facility (TV, radio, mobile phone)	86.36	No change
	Travel	88.64	No change

# Conclusion

- The tsunami-affected people lost their job, livelihood and tsunami lead them to poverty.
- To rebuild people livelihood, the longer-term recovery of the local economy is now the major concern.
- The activity on four recovery program focused heavily upon group activity
- The recovery programs help people reduce their financial vulnerability and people strengthen community in economic term.
- After tsunami, people have gradually changed their occupation from fisheries into other occupations such as shopkeeper and agriculture.



# Recommendation

- Many of these skills are transferable other occupations. In the event that the formal project does not continue, individuals can use the skills toward income generation via other avenues.
- Increase in the community's develop networks is relevant support form many assistance channels.



THANK YOU VERY MUCH