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ASIAN TSUNAMI: ECONOMIC IMPACTS AND THE POLITICS OF HUMANITARIAN AID

Abstract

The article studies the economic impacts of the Asian Tsunami focusing mainly on the macroeconomic impacts, and identifies the ramifications of disaster aid diplomacy and politics involving the relief and rehabilitation efforts by various agents. Despite widespread devastation claiming thousands of lives, infrastructural damage and environmental degradation, the macroeconomic impacts of the calamity were less severe than anticipated. On the other hand, it is argued that, other than the humanitarian assistance, the relief and rehabilitation efforts involved intense disaster assistance diplomacy both at the global and regional levels by the sole superpower and other major world powers to express their strength and superiority. Furthermore, the ethnic conflicts in Sri Lanka and the separatist movements in Indonesia complicated the relief and rehabilitation efforts by donors, NGOs and international relief agencies exacerbating the miseries of the affected poor people in the region.

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1. Introduction

On the morning of 26 December 2004, just the day after Christmas, the world had experienced a devastating *Tsunami* that devoured many of the countries around the Indian Ocean. It was, in fact, an under-sea earthquake in the Indian Ocean, the strongest in last 40 years, measuring on the Richter scale 9.0. The earthquake triggered a series of deadly waves, which fanned out across the Indian Ocean. However, this was not a new one in the world history and also in this region. In 1755 there was Tsunami in Lisbon, Portugal that killed nearly 60,000 people, in 1960 there was Chilean Tsunami, and in 1964 Good Friday Tsunami that struck Alaska, British Columbia, California and coastal Pacific Northwest towns in California. Most recently in 1998 in Papua New Guinea Tsunami killed roughly 2200 people. There were also Tsunamis even in South Asia (see Annex -1).

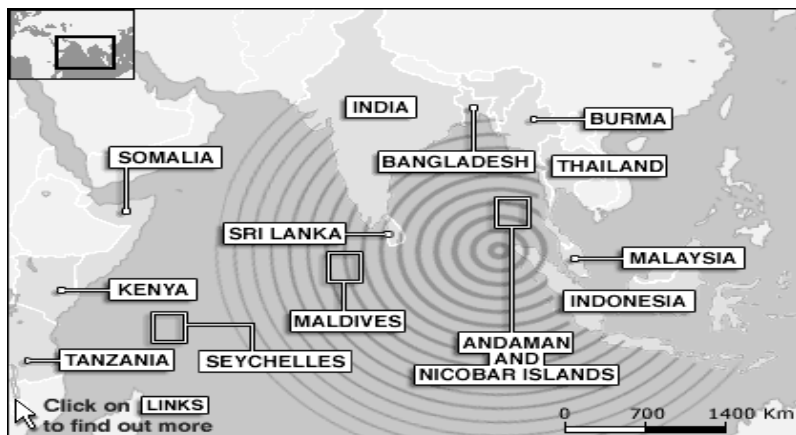
The Asian Tsunami that hit two continents and 12 nations caused severe damage in the affected countries in terms of loss of lives, infrastructural damage, individual family loss, environmental degradation, property damage and affecting fishing, and agriculture industry. The tourism sector was the most affected one since the affected areas of Malaysia, Maldives, Sri Lanka and Thailand were the most attractive tourist spots in the region, and tourism industry in these four countries contributes significantly to their respective GDPs. The death toll and the number of missing people after six months of the Tsunami stand at 232,010 (see Annex-2), according to the collected figures from government and health officials.¹

The distinguishing characteristic of this Tsunami, however, was the geographical extent of the devastation and the number of

¹ Data available at <http://www.reliefweb.int/rw/rwb.nsf/db900SID/RMOI6DM949?OpenDocument&emid=TS-2004-000147-LKA&rc=3>, accessed on 02 July 2005.

countries affected (see Map-1). Its epicentre was under the sea, off the northern tip of the Indonesian archipelago near Banda Aceh. Besides devastating parts of Indonesian Sumatra, the quake set off sea surges that reached as far as the coast of Africa, 6,500 km from the epicentre. The Tsunami wreaked havoc around the Bay of Bengal, from India, Sri Lanka and the low-lying Maldives in the west, to Thailand and Malaysia in the east.

Map-1: Tsunami Hit Countries



Source: BBC News. Available at:
www.news.bbc.co.uk/1/hi/world/4126019.stm

Despite widespread devastation claiming thousands of life, it was observed that in the economic sector, the macroeconomic impact of the calamity was less severe than imagined. The severely affected areas were non-industrial areas, and the direct economic impacts of the Tsunami could be found mainly on the agriculture, tourism and

fishing industries. The impact of the Tsunami on the environment was enormous too and it will take many years to overcome.²

On the other hand, it could be argued that, other than the humanitarian assistance, the relief and rehabilitation efforts involved global diplomacy and politics regarding financial assistance, military deployment in the disaster affected areas and, debt relief and delaying repayments by the creditor nations and multilateral institutions. It also involved donor diplomacy and local politics within the affected nations.

The present article, thus, has two main objectives in view. First is to assess the economic impacts of the Asian Tsunami focusing mainly on the macroeconomic impacts. Second, it will identify the ramifications of the disaster aid diplomacy and politics involving relief and rehabilitation efforts by various agents. The discussion is divided into three parts. The physics of Tsunami, i.e., the nature, causes and characteristics of Tsunami in general and the Asian Tsunami in particular, are discussed in the first section. The various economic impacts of the Tsunami including country-wise macro and microeconomic impacts and, overall impacts on poverty and environment of the region are analysed in the second section. The third section deals with the diplomacy and politics around the relief and rehabilitation efforts. In this section the analysis is done at four different levels – global, regional, individual country's responses regarding disaster assistance, and local politics within the affected countries that also impinge on the relief and rehabilitation efforts.

² According to the United Nations Secretary-General Kofi Annan, it will take at least ten years to recover. The statement was made during the speech delivered at the Special Meeting of ASEAN at Jakarta on 6 January 2005.

2. The Physics of Tsunami

2.1 What is a Tsunami?

A Tsunami (pronounced tsoo-nah-mee) is a natural phenomenon consisting of a series of waves that are generated when a body of water in a lake or the sea is rapidly displaced on a massive scale. Earthquakes, landslides, volcanic eruptions, explosions and even the impact of cosmic bodies such as meteorites all have the potential to generate a Tsunami. The effects of a Tsunami can range from unnoticeable to devastation.

Tsunami is a Japanese word which literally means “harbour wave”. The word is represented by two characters, the top character, “tsu”, means harbour and the bottom character, “nami”, means wave. People have sometimes called Tsunami a tidal wave, which is a misnomer; because tides are generated by the gravitational pull of the Moon, the Sun and other nearby Planets acting upon Earth’s water bodies. The processes of tides and Tsunamis are unrelated to each other. Tsunami has also been translated as seismic sea wave, which is not entirely true because all the Tsunamis are not generated by undersea earthquakes. For these reasons, the word Tsunami (first entered in the English language in 1897) is increasingly used in English and other languages in its original Japanese form.

2.2 Causes of the Asian Tsunami

The 2004 Indian Ocean earthquake originated just north of the western coast of northern Sumatra of Indonesia. The resulting Tsunamis devastated the shores of Indonesia, Sri Lanka, India, Thailand and some other countries with waves of up to 15 metres high.³

The earthquake was initially reported as 6.8 on the Richter scale. On the moment magnitude scale, which is more accurate for quakes

³ 2004 Indian Ocean earthquake, available at: http://en.wikipedia.org/wiki/2004_Indian_Ocean_earthquake, accessed on 09/01/2005.

of this size, the earthquake’s magnitude was first reported as 8.1 by the U.S. Geological Survey. After further analysis, this was increased to 8.5, 8.9 and finally to 9.0.⁴

The hypocentre of the earthquake was at 3.316°N, 95.854°E, some 160 kilometres (100 miles) west of Sumatra, at a depth of 30 kilometres (18.6 miles) below mean sea level.⁵ The earthquake was unusually large and numerous aftershocks were reported off the Andaman and Nicobar Islands and the region of the original epicentre in the hours and days that followed. The largest aftershock was 7.1 off the Nicobar Islands. Other aftershocks of up to magnitude 6.6 continued to shake the region on a daily basis.⁶

In fact, an estimated 1200 kilometres of fault line slipped about 15 metres along the subduction zone where the India Plate dives under the Burma Plate. The slip did not happen instantaneously but took place in two phases over a period of several minutes. The India Plate is part of the great Indo-Australian Plate, which underlies the Indian Ocean and the Bay of Bengal and is drifting northeast at an average pace of 6 centimetre/year.⁷ The India Plate meets the Burma Plate at the Sunda Trench. At this point the India Plate subducts the Burma Plate which includes the Nicobar Islands, the Andaman Islands and northern Sumatra. The India Plate slipped deeper and deeper beneath the Burma Plate until the increasing temperature and pressure turns the subducting edge of the India Plate into magma which eventually pushes the magma above it out through the

⁴United States Geological Society Earthquake Hazards Program, *Preliminary Earthquake Report*, available at: <http://earthquake.usgs.gov/recenteqsww/Quakes/usslav.htm>., accessed on 10/01/05.

⁵ 2004 Indian Ocean earthquake, *op.cit.*

⁶ USGS Earthquake Hazards Program, *Earthquake Activity*, available at: <http://wwwneic.cr.usgs.gov/neis/bulletin/>, accessed on 09/01/05.

⁷ 2004 Indian Ocean earthquake, *op.cit.*

volcanoes. This process is interrupted by the locking of the plates for several centuries until the build up of stress caused their release resulting in a massive earthquake and Tsunami. The sideways movement between the plates had raised the sea bed several meters, triggering devastating Tsunami waves.

2.3 Nature of the Asian Tsunami

The Asian Tsunami was, in fact, the shaking of the seabed by the earthquake that displaced massive volumes of water, resulting in Tsunamis that struck the coasts of the Indian Ocean. The total energy of the Tsunami waves was about five megatons of TNT. This was more than twice the total explosive energy used during the entire period of World War II (including the two atomic bombs).⁸

The 1,200 kilometres of fault line affected by the quake was in a nearly north-south orientation; for this, the greatest strength of the Tsunami waves was in an east-west direction. Bangladesh, which lies at the northern end of the Bay of Bengal, had very few casualties, despite being a low-lying country.

Due to the distances involved, the Tsunami took time from fifteen minutes to seven hours (for Somalia) to reach the various coastlines. The northern regions of the Indonesian island of Sumatra were hit very quickly, while Sri Lanka and the east coast of India were hit roughly two hours later. Thailand was also struck about two hours later, despite being closer to the epicentre, because the Tsunami travelled more slowly in the shallow Andaman Sea off its western coast.

⁸ See, Montreal Gazette, available at: <http://www.canada.com/montreal/montrealgazette/news/story.html?id=2257b78c-3897-4594-ad86-18c0eb661bea>, accessed on 09.01.05.

Coasts that have a land mass between them and the Tsunamis' location of origin were usually safe, although Tsunami waves can sometimes diffract around such land masses. Thus, the Indian state of Kerala was hit by Tsunamis despite being on the western coast of India, and the western coast of Sri Lanka also suffered substantial impacts. Distance alone was not the guarantee of safety; Somalia was hit harder than Bangladesh despite being much farther away.

Natural disasters like the Asian Tsunami have less visible, but critically important, economy-wide (macroeconomic) effects. More developed economies are more resilient than those that are less developed. In some cases, for those that are not developed, natural disasters have had a positive effect, because of increased spending on the reconstruction and rehabilitation of infrastructure. However, the economic impacts of the Asian Tsunami are discussed below.

3. Economic Impacts of the Asian Tsunami

The impacts of the Asian Tsunami on the economy of the affected countries are seen mainly in the damages to the productive sectors which generate jobs, tax revenue and foreign exchange. They are also in government expenditure that needed to be diverted from other uses. At the same time, the size of the secondary impacts depends very much on the structure of economies and on their flexibility. The effects are greater when other sectors depend very much on the affected sectors or the impact on government expenditure is large, or if government finances are poorly managed.

The earthquake and associated Tsunami that hit Indian Ocean countries entail a natural disaster that was clearly beyond measurement, but the resultant macroeconomic impact looked less severe. The countries affected cover a wide spectrum. The Maldives was badly affected, because of the dependence on tourism. Aceh was suffering all the effects of a major earthquake, with rescue and rehabilitation hampered by isolation and poor governance. In other

countries, the effects were more localised. The effects were most severe where a large number of people, infrastructure (roads, railways, ports, electricity, telephones, water supply and sewage disposal) and economic activities (fishing, tourism) were concentrated along the coast. The effects were relatively most severe for small island economies and regions like Aceh, Andaman and Nicobar Islands, and the Maldives, for their dependence on the sea and proximity to the epicentre of the earthquake.

The tourism related industries in the affected countries have the most to lose. One of the biggest immediate concerns was thus the potential impact on tourism in countries hardest hit by the Tsunami. However, the sector is likely to recover quickly because tourist operators and tourists are largely insured for loss and so are the bigger companies for disruption to business. Moreover, multi-national tourism has internal funding that can raise finance for rapid reconstruction. Tourist arrivals are slowly picking up after a sharp drop right after the Tsunami. As of March 2005, however, tourist arrivals in Tsunami-affected countries were still down 30-40 percent compared to last year.⁹ A string of earthquake and aftershocks had contributed to another tourism slump since April 2005.

The macroeconomic impact of the Asian Tsunami has been huge for the Maldives and Sri Lanka, but limited for Indonesia, Thailand, India and other affected countries. The damage was largely confined to rural areas rather than the key economic and densely populated urban centres and industrial hubs. The wider indirect impact was harder to assess. The damage to infrastructure is a principal factor. The rebuilding of coastal infrastructure will take more time. It needs effective planning which is costly. In the following discussion, these varied economic impacts of the Asian Tsunami on different countries are analysed.

⁹ Yi Hu, "Tsunami fails to sink tourism outlook", *South China Morning Post*, April 18, 2005.

3.1 Country wise Economic Impacts

3.1.1 Indonesia: Less Economic Disruption

As Indonesia was closest to the epicentre of the earthquake, it was hardest hit in terms of human casualties and physical damage. However, Indonesia seemed to have escaped the worst of the Tsunami's economic disruption.

The macroeconomic impact on Indonesia was less severe in comparison with the huge human toll. The damage appeared to be confined to the provinces of Aceh and northern Sumatra. Almost 80 percent of Banda Aceh has been levelled and much of Northern Sumatra's economy and infrastructure will have to be rebuilt from scratch. Total damage from the Tsunami in Indonesia was estimated at US\$ 4.5 billion-US\$ 5 billion.¹⁰ The sectors most impacted were primarily private-sector dominated assets and activities like housing, commerce, agriculture, fisheries, transport vehicles and services that relate directly to the personal livelihoods of the affected urban and rural communities which account almost US\$ 2.8 billion or 63 percent of the total damage and losses.¹¹ Despite the severe damage to Aceh's economic infrastructure, the country's energy sector (mainly oil and natural gas production facilities in Aceh and Northern Sumatra) seemed to have escaped the disaster. The overall economic impact on the country was fairly limited, as Aceh accounted for around 2 percent of the country's GDP and, since oil and natural gas contributes around half of Aceh's GDP.¹² This

¹⁰Indonesia: Tsunami Summary, available at: http://www.adb.org/media/Articles/2005/6618_tsunami_impact_Indonesia/default.asp?RegistrationID=guest accessed on: 27.10.2005.

¹¹ *Ibid.*

¹² Asian Development Bank, *An Initial Assessment of the Impact of the Earthquake and Tsunami of December 26, 2004 on South and Southeast Asia*, January 2005, available at,

indicates that the damage to Indonesia's economy was minimal, although the human suffering was great. The impact on tourism was less because the main tourist destinations like Bali and Lombok were not affected.

The majority of the affected people were subsistence farmers or fishermen. So the extent of the damage would depend partly on the amount of agricultural land inundated by water and affected by salination and on the damage of the fishing equipments.

As a result, official forecasts for growth in Gross Domestic Product (GDP) remain unchanged at a healthy 5.5 percent for 2005.¹³ The Central Bank of Indonesia stated that the Tsunami has not altered its view of the Indonesian economy. Indonesian shares, performing strongly in 2004, have continued to hit a series of record heights since the Tsunami hit. The immediate reconstruction cost was high. Preliminary estimates put the total cost of reconstruction at US\$ 4 to 5 billion for the coming five years.¹⁴ Economic aid and reconstruction of Aceh province will compensate for the loss in economic activity resulting from the Tsunami disaster.

3.1.2. Sri Lanka: The Biggest Economic Impact

Sri Lanka faces significant economic and political challenges in the wake of the Indian Ocean Tsunami disaster. The economy of Sri Lanka was the most severely affected both in extents of the damage

<http://www.adb.org/Documents/Others/Tsunami/impact-earthquake-tsunami.pdf>, accessed on: 25.01.2005.

¹³ BBC News, available at,

www.news.bbc.co.uk/2/hi/business/4154277.stm, accessed on: 15.01.2005.

¹⁴ IMF and WB, *Preliminary Assessment of the Macroeconomic Impact of the Tsunami Disaster on Affected Countries, and of Associated Financing Needs*, February 4, 2005, available at,

<http://www.imf.org/extern/np/vc/2005/011505.htm>, accessed on: 02.04.2005.

and in comparison to its smaller size. As the economy of Sri Lanka is small in size, it is less well equipped to absorb the disaster, while political problems also limited the extent to which the government was able to implement rehabilitation programmes.

The immediate humanitarian impact of the disaster was huge. The Tsunami struck a long coastal area stretching over two-thirds of the country's coastline. The affected population was estimated at between one and two million, out of a total population of 19 million.¹⁵

Although the commercial areas in the western part of the country were largely unaffected, there was extensive damage to the fisheries and tourism sectors. The fishing industry that accounts for 2 percent of GDP has been devastated.¹⁶ In Sri Lanka, almost 80 percent of fishing vessels had been either lost or damaged and over 13,000 fishermen were dead or missing.¹⁷ More than 5,000 fishing families had been displaced and several of the major fishing harbours had been destroyed.¹⁸ According to the Central Bank, lost output from this sector would not have a major direct impact on the macro economy. However, the social and indirect economic costs are likely to be higher. Tourism will take time to recover. Beach resorts on the south coast had been badly affected. Tourism and related services account for about 2 percent of GDP and more than 5 percent of exports of goods and services.¹⁹ The physical capital stock had been severely damaged. Preliminary estimates indicated that the Tsunami tore up railways and roads and destroyed 100,000 homes and

¹⁵ *Ibid*

¹⁶ *Ibid*

¹⁷ *The Bangladesh Observer*, January 15, 2005

¹⁸ *Ibid*

¹⁹ IMF and WB, *op cit.*

150,000 vehicles.²⁰ The port of Colombo sustained only light damage.

Longer-term impact of the Tsunami will be observed on the tourism industry. The infrastructures, especially on the south coast, had been hard hit. About one-fifth of the hotels in the region had been put out of action. Like in other countries, the disaster had largely missed major urban areas and important industrial areas, which will lessen the longer-term economic impact.

Sri Lanka's economy was having rising indicators before the Tsunami struck. It is expected that 5 percent growth in 2004 will be affected by at least a percentage point in 2005.²¹ The stock market has been robust. Deregulation of international trade in textiles could help Sri Lankan manufacturers and is seen as a way to make up for foreign-currency income lost by the tourism sector. The country will face a heavy reconstruction bill as its damaged infrastructure was more developed than the other affected countries. Financing needs for reconstruction are estimated at US\$1.5-1.6 billion including upgrading in the power, water and transportation sectors.²²

3.1.3. Thailand: Shock to the Tourism Industry

The Tsunami that hit the southern coast of Thailand inflicted a heavy human toll and widespread infrastructural damage. The economic impact on Thailand shows up mainly through damages in the tourism industry, which accounts for around 6 percent of its GDP.²³ There has been considerable property damage and loss of human life on the island of Phuket, and the five other provinces and

²⁰ Asian Development Bank, *op. cit.*

²¹ BBC News, *op. cit.*

²² IMF and ADB, *op. cit.*

²³ The Economist Intelligence Unit, "Asia's Tsunami: The impact", *EIU Special Report*, January 2005, available at: www.eiu.com

surrounding resort islands on the south-western side of the country facing the Andaman Sea. The rest of the country's economic infrastructure and production capacity has been unaffected. The damage to its major economic activity, tourism, will have a multiplier effect on the entire Thai economy. Tourism accounts for at least 10 per cent of employment in Thailand, and the disruption is likely to reduce personal income and hence consumer spending.²⁴ Tourism receipts and the multiplier impact on the Thai economy will drop off significantly.

Other affected industry by the Tsunami includes fisheries. Almost 20 per cent of fishing boats in the affected region were damaged.²⁵ In coastal Thailand, fishing villages with a population of around 120,000 have lost some 4,500 boats.²⁶ However, the fisheries industry accounts for only 1.7 percent of total GDP, and the Shrimp industry (Thailand is the world's largest shrimp exporter) was largely unaffected.

²⁴ *Ibid*

²⁵ *Ibid*

²⁶ *The Bangladesh Observer, op. cit.*

Table-1: Impacts of the Asian Tsunami

| Country | GDP growth in 2004 (%) | GDP growth in 2005 (%) | Impacts of Tsunami |
|--------------|------------------------|------------------------|---|
| Indonesia | 5.1 | 5.5 | The impact on GDP is estimated to reduce growth by 0.1-0.5 percentage point. Unlikely to cause a significant dent on growth. Oil and gas facilities operational. |
| Sri Lanka | 5.5 | 5.2 | The impact on GDP growth might be relatively small, perhaps less than 0.5 percentage point off expected growth in 2005. Key tourism area needs rebuilding. Largest number of people displaced, which is a setback to economic activities, especially fishery sector. |
| Thailand | 6.1 | 5.6 | The negative impact is estimated at 0.3-0.5 percentage point of GDP. Major tourism areas affected. |
| India | 6.5 | 6.9 | The adverse impact of the Tsunami is localized and the level of national economic activity has not been significantly affected. Affected areas are not a key contributor to production or tourism. Fishing communities are the most affected. Key infrastructures are intact. |
| The Maldives | 8.8 | 1.0* | Overall macro economic developments will be affected by the pace of restoration of tourism and fishing. |

Source: Compiled from Asian Development Outlook 2005, Available at: <http://www.adb.org>, accessed on: 01/10/2005 & Tsunami impact on Asian economies (update), *Deutsche Bank Research*, available at: <http://www.dbresearch.com/servlet/reweb2.ReWEB?rkey=u900615>, accessed on: 09/10/2005.

*Source: *IMF. World Economic Outlook 2005*.

The macroeconomic impact of the disaster is expected to be limited. The preliminary estimate of physical damage is about US\$ 0.8 billion, which is almost 0.5 per cent of the country's GDP.²⁷ Thailand is better off than some nearby tourist destinations. The affected area around Phuket produces only 1.9 per cent of national income.²⁸ Total economic losses could exceed US\$ 3.0 billion and the GDP impact approximately 0.5 per cent for 2005.²⁹

3.1.4. India: Limited Economic Impact

India suffered large human losses on account of the Tsunami. The Andaman and Nicobar Islands and three southern states of Andhra Pradesh, Kerala and Tamil Nadu had suffered extensive physical damage.

In India, the macroeconomic impact is expected to be minor because of the huge size of its economy. There were reports of some damage to ports across the south-eastern part of the country including Chennai, but nothing significant. Oil refineries continue to operate normally. The most important issue will be some infrastructure damage along with the possible damage to the tourism industry along the southern coasts of the country where the Tsunami directly hit. In the Andaman and Nicobar islands, almost 70 percent of the island's jetties had been damaged, which spelled trouble for the fishing industry, source of two-thirds of local employment.³⁰

Although the impact of the Tsunami on India's GDP is insignificant, the disaster had devastated lives, social infrastructure

²⁷ IMF and ADB, *op. cit.*

²⁸ BBC News, *op. cit.*

²⁹ *Economic Impact of Tsunami Catastrophe*, available at, <http://www.dollardex.com/sg.index.cfm?current=../contents/Tsunami&contentID=2217>

³⁰ BBC News, *op. cit.*

and economic foundations in the affected areas. India's GDP is by far the largest of the countries affected by the Tsunami. In other words, the damage has been barely noticeable in countries with diverse and geographically varied economy. The Tsunami also had no effect on any of India's major manufacturing or agricultural centres. The Tsunami had no impact on the vibrant information technology sector. Although private consumption will be reduced in the affected areas, it will be negligible in a country with huge population. The fishing industry contributes around 3 percent to the total GDP in Andhra Pradesh and 0.7 percent in the worst-affected state of Tamil Nadu.³¹ The dependency on tourism in both states is much less than other countries like Thailand and Sri Lanka.

The Indian government estimates that the total preliminary damages in the Tsunami affected areas are around 0.25 percent of GDP.³² Good governance will help to limit the effects of the disaster on the economy. The southern Indian states of Tamil Nadu and Andhra Pradesh are among the most developed in India and their respective state governments are relatively more effective.

3.1.5. The Maldives: Tourism Economy in Disarray

The Maldives was hit hard by the Tsunami. Although the human toll had been relatively smaller than the other affected countries, there was extensive damage to housing and infrastructure. Fourteen of about 200 inhabited islands were completely devastated, which led to the abandonment of three of them. Some 5 percent of the population lost their homes, one-quarter of tourist resorts is closed and 8 percent of fishing boats were damaged where a large part of the population depends on fishing for their livelihood.³³

³¹ The Economist Intelligence Unit, *op. cit.*

³² IMF and WB, *op. cit.*

³³ *Ibid*

The economic impact in the Maldives was very substantial mainly due to the destroyed tourism infrastructure. The Maldives is far more dependent on tourism than other affected countries. Almost two-fifths of the workforce are employed in the industry and its wider effects help to produce 74 percent of GDP. Total damages are estimated to be about US\$ 470 million, close to 62 percent of GDP.³⁴ About US\$ 298 million of this are direct damages and the rest are indirect losses. The tourism sector has the largest direct damages with losses of US\$ 100 million followed by the housing sector with losses close to US\$ 65 million.³⁵ A preliminary joint World Bank/ADB/UN assessment has estimated the damage at about US\$400 million.³⁶

3.2. Impacts on Poverty

Poverty is potentially the most important consequence of this Tsunami disaster. A large number of people have become internally displaced in the most affected areas. The poverty impact of the Asian Tsunami is discussed below.

The Tsunami that ripped across southern Asia will throw nearly 2 million additional people into poverty.³⁷ Though the macroeconomic effects were slight, the poverty impacts may be substantial, especially at the local and community levels. The sudden loss of housing, other assets and jobs paralyzed their daily activities.

³⁴ BBC News, *op. cit.*

³⁵ Republic of the Maldives, *Tsunami: Impact and Recovery*, Joint Needs Assessment by World Bank-Asian Development Bank-UN System, available at, <http://siteresources.worldbank.org/INTMALDIVES/Resources/mv-na-full-02-14-05.pdf>

³⁶ IMF and ADB, *op. cit.*

³⁷ Asian Development Bank, *op.cit.*

In Indonesia alone, the disaster would add at least 474,619 displaced persons and, by taking into account of other indirect effects, the number of poor people could increase by more than one million.³⁸ According to the International Labor Organization (ILO), about 600,000 people in Indonesia have lost their sole source of livelihood, particularly those who worked in fishing, and small-scale agriculture and did small businesses. The unemployment rate in affected provinces could be 30 percent or higher, up from 6.8 percent before the Tsunami.³⁹

In India, the initial estimates indicated that the number of poor people could increase by 645,000.⁴⁰ These people were found mainly in the affected states of Andhra Pradesh, Kerala, Pondicherry, Tamil Nadu and the Islands of Andaman and Nicobar.

In Sri Lanka, the devastating effects of the disaster could add around 250,000 more poor people.⁴¹ In Sri Lanka, over 400,000 workers have lost their jobs, mostly in fishing and tourism. The unemployment rate in affected provinces probably rose from 9.2 percent before the Tsunami to over 20 percent afterwards. The ILO notes that the rapid aid and support mobilized after the disaster could result in between 50-60 percent of affected workers being able to earn a living again by the end of 2005 and further about 85 percent of jobs could be restored by the end of 2006.⁴² Many people in coastal communities have found temporary employment through

³⁸ *Ibid*

³⁹ ILO Press Release, available at: <http://www.ilo.org/public/english/bureau/inf/pr/2005/3.htm>, accessed on, 05/10/2005

⁴⁰ *Ibid*

⁴¹ *Ibid*

⁴² ILO Press Release, available at: <http://www.ilo.org/public/english/bureau/inf/pr/2005/3.htm>, accessed on: 05/10/2005.

work-for-cash or work-for-food programmes sponsored by governments and foreign aid groups. As many of the poor fishermen who had lost their boats and fishing equipment are still awaiting their repair or replacement, they are still unable to go back to their pre-Tsunami standard of living and are still dependent on government welfare programmes. According to K. M. Tilakaratne, a Programmes/Implementation Officer in ADB's Resident Mission in Sri Lanka, "*the Tsunami destroyed most existing micro, small, and medium-sized businesses and local fisheries in the coastal belt, creating large-scale unemployment.*"⁴³

In the Maldives, while the loss of life was fortunately low, the Tsunami caused widespread damage to infrastructure. Tourism, housing, fisheries, water and sanitation infrastructure were hit hard. About half of the country's houses were affected and more than 50 percent of the population could fall into absolute poverty or the number of poor would increase by about 24,000.⁴⁴

The poverty impact on other countries affected by the Tsunami has been insignificant.

⁴³ Providing Temporary Income To Tsunami-Affected Poor People In Sri Lanka, News Release No. 154/05, 11 October 2005, available at: <http://www.adb.org/Documents/News/2005/nr2005154.asp>, accessed on: 20/10/2005.

⁴⁴ *Ibid*

Table-2: Poverty impacts of the Asian Tsunami

| Country | Base Year | Total Population (000) | Number of Poor (000) | Additional number of Poor (000) |
|-----------|-----------|------------------------|----------------------|---------------------------------|
| Indonesia | 2002 | 212,000 | 38,584 | 1,035 |
| India | 1999 | 1,001,000 | 261,261 | 644 |
| Sri Lanka | 1995 | 17,280 | 4,355 | 287 |
| Maldives | 2004 | 300 | 66 | 39 |
| Thailand | 2002 | 63,430 | 6,216 | 24 |

Source: Guntur Sugiyarto and A.T. Hagiwara, "Poverty Impact of the Tsunami: An Initial Assessment and Scenario Analysis", A paper presented during the 4th PEP Research Network General Meeting, June 13-17, 2005, Colombo, Sri Lanka.

The number of poor people could further increase if concerns over sanitation and health conditions, as well as other basic needs of the survivors are not addressed properly. Governments of the affected countries and the international community should work together to overcome the immediate and long-term impacts of the Tsunami disaster.

Besides the shocking toll on human lives, the Indian Ocean earthquake has caused an immense environmental impact which will affect the region for many years to come. The environmental impacts of the Asian Tsunami are depicted below.

4. Impacts on the Environment

Enormous impacts have been observed on the coastal environment, causing damage and loss to natural habitats and important ecosystem function. Severe damage has been inflicted on ecosystems such as mangroves, coral reefs, forests, coastal wetlands, vegetation, sand dunes and rock formations, animal and plant biodiversity and groundwater. In addition, the spread of solid and liquid waste and industrial chemicals, water pollution and the destruction of

sewage collectors and treatment plants threaten the environment. Uncountable wells that served the people were invaded by sea, sand and earth, and aquifers were invaded through porous rock. Soils which were washed by the sea become sterile and it is difficult and costly to restore fertility for agriculture. It also caused the death of plants and important soil micro-organisms.

According to a preliminary damage and loss assessment of the disaster carried out by the Government of Indonesia and the international donor community, the economic costs to the environment in Indonesia has been estimated at approximately US\$ 675 million. Among critical coastal habitats in Aceh and north Sumatra 25,000 hectares of mangroves, 30 percent of previously existing coral reefs and 20 percent of sea grass beds have been damaged. The economic loss is valued at US\$ 118.2 million, US\$ 332.4 million and US\$ 2.3 million, respectively.⁴⁵ Almost 7.5 kilometres of river mouth need rehabilitation as it is infiltrated by saline water, sediment and sludge.⁴⁶ Hundreds of wells in the rural area needed to be cleaned up. Along the coastal strip, approximately 48,925 hectares of forest area were affected with the assumption that 30 percent of this area has been lost.⁴⁷

The small island state's environment had proven extremely vulnerable to the devastation of Tsunami. The Maldives is highly dependent on the fragile ecosystem of their coral reef islands. The Tsunami caused widespread deposition of coral sand, vegetation, municipal waste from dumpsites, healthcare waste, hazardous substances (oil, asbestos, batteries, etc.) and demolition waste (concrete, coral fragments, timber, etc.). Coral reefs around the islands have been damaged by sedimentation and excessive amounts of debris. The Tsunami also resulted in beach erosion and soil wash

⁴⁵ UNEP, *Asian Tsunami Inflicts Multimillion Dollar Damage on Indonesia's Environment*, Press Release, IHA/1002, UNEP/263, available at: <http://www.un.org/News/Press/docs/2005/iha1002.doc.htm>

⁴⁶ *Ibid*

⁴⁷ *Ibid*

off. It is estimated that in the Maldives more than one hundred million square meters of beach on 130 islands was eroded by the Tsunami's force. Extensive erosion caused sediment to accumulate in the harbours of 44 islands, impacting an area of approximately 400,000 square meters.⁴⁸

Thousands of rice, mango and banana plantations in Sri Lanka were destroyed almost entirely and will take years to recover. In the affected areas of the country, all of the 62,000 water wells are now contaminated with salt water and in some cases sewage.⁴⁹ Several thousand fruit and rice farms in areas such as Trincomalee and Batticaloa districts had been affected by salt contamination.

Over 20,000 hectares were inundated by sea water in Thailand with an estimated 1,500 hectares of agricultural land severely impacted. Over 12 percent of the coral reefs along Thailand's affected Andaman coast have been 'significantly impacted'.⁵⁰

The Tsunami caused extensive damage to the coastal areas of Tamil Nadu and Pondicherry, and more localized damage to the coasts of Kerala and Andhra Pradesh. Seepage of sea water into shallow aquifers, wells and other freshwater sources have implications for immediate human health and agriculture. There has been extensive erosion of the beach in some areas. The most visible is the salination of agricultural land and ground and surface freshwater sources including ponds, tanks, irrigation canals, lakes, streams and rivers.

The United Nations Environment Programme (UNEP) is working with the governments of the affected countries to determine the severity of the ecological impact and its remedy. UNEP has

⁴⁸United Nations Environment Programme, *Rebuild Differently After the Tsunami*, UNEP Advises, available at: <http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=424&ArticleID=4733&l=en>

⁴⁹ *Ibid*

⁵⁰ *Ibid*

decided to earmark a US\$ 1 million emergency fund to establish a Task Force with this aim.⁵¹

5. Diplomatic and Political Fallout of the Asian Tsunami

The devastation and misery caused by the Asian Tsunami aroused the need for gargantuan humanitarian aid by the global community and organizations. But in reality it was found that the total relief and rehabilitation processes involved such events and issues that were not humanitarian in nature, rather it involved intense diplomatic manoeuvring in the name of aid, massive military deployment in disaster affected areas, global politics and, even regional and local politics.

Now before delving into the analysis diplomacy around Asian Tsunami, it would be instructive to explain the concept of aid diplomacy and disaster assistance diplomacy to convey the meanings in which they are used in the subsequent analysis.

5. 1. Aid Diplomacy and Disaster Aid Diplomacy: A Conceptual Note

Foreign aid or assistance is money or other aid ⁵² made available to Third World states to help them speed up economic development⁵³

⁵¹United Nations Environment Programme, *Environmental Issues Emerging from Wreckage of Asian Tsunami*, available at: <http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=414&ArticleID=4692>

⁵² Food Aid, Commodity Aid, Military Aid, Technical Assistance, Deputation of Experts, Training etc.

⁵³ There exists a good number of Literature on Foreign Aid and its role in the Third World development. See O'Hanlon, Michael, and Carol Graham. *A Half Penny on the Federal Dollar: The Future of Development Aid*. Washington, DC: Brookings, 1997. Hook, Steven W. *National Interest and Foreign Aid*. Boulder: Rienner, 1995. Krueger, Anne O., Constantine Michalopoulos, and Vernon W. Ruttan. *Aid and Development*, Baltimore: Johns Hopkins, 1989. Smith, Brian H. *More Than Altruism: The Politics of Private Foreign Aid*. Princeton, 1990.

or simply meet basic humanitarian needs. Different kinds of foreign assistance have different purposes – humanitarian, political, economic, and cultural. Aid is also given to create future economic advantages for the giver while these purposes often overlap.

Aid diplomacy on the other hand, is a part of economic diplomacy that comprises a whole range of activities involving the use of material and human resources for the achievement of the ends of the foreign policy of a state, eventually designed to attain national objectives.⁵⁴ Aid diplomacy often permeates the entire spectrum of diplomatic effort by states and is designed to mould, shape or influence the domestic and foreign policies of the aid-recipients. David Jordon in his book *World Politics in Our Time* observes, "...to gain the objectives of the State, diplomatists have at their disposal instruments which are more coercive than propaganda and psychological warfare; the more useful and the widely employed ones to attain the aims of foreign policy are the economic ones which have traditionally been used by donor or creditor countries."⁵⁵ In the Cold War era, granting aid was dependent on the alliances of the recipient country and aid was used as a leverage to create new alliances. It has been practised extensively by the super powers in various forms for putting pressure on recipient states or for building strength vis-à-vis the opponents. The end of the Cold War prompted the donor countries to alter their aid policy. Since 1990s granting aid decisions have been determined by the internal conditions of the recipient state i.e., its regime type (democratic or authoritarian, market economy or state controlled economy), and levels of economic development.

Disaster aid, which is given in response to catastrophic events, is also a kind of development assistance which is distinguished by the type of assistance rather than the type of donor that may include both

⁵⁴ Dewan C Vohra, *India's Aid Diplomacy in the Third World*, Vikas Publishing House Pvt. Ltd., New Delhi, 1980. p. 1.

⁵⁵ Quoted by Dewan C Vohra, *Ibid*.

government and private aid.⁵⁶ While foreign policy and international political considerations strongly influence allocations of military and economic development assistance,⁵⁷ similar influences are also existent on humanitarian disaster assistance as well. In a recent study, it is postulated that at least three basic types of political considerations may affect disaster assistance decisions of a donor country: (1) foreign policy concerns or reservations about the potential recipient state, (2) creditor nation's domestic political concerns, and (3) domestic politics within the potential recipient state.⁵⁸ More importantly, whilst the initial "yes/no" decision to grant disaster assistance is markedly political, the subsequent "how much" decision is also not devoid of political consideration.⁵⁹ In case of Tsunami disaster assistance, all these three types of considerations noticeably influenced the decisions of the donor countries. This will be explored in the following discussion.

5.2. *Global Diplomacy and Politics around Asian Tsunami*

5.2.1. International Response and Pledges

The international community responded quickly and vigorously to the devastation caused by the Asian Tsunami. The United Nations responded immediately by warning that the biggest ever-international relief effort would be needed to cope with the disaster.

⁵⁶ For a discussion on the Disaster Relief Model, see Joshua S. Goldstein, *International Relations*, 5th Edition, Singapore, Pearson Education Pte. Ltd., 2003, p. 525-526.

⁵⁷ Cingranelli and Pasquarello, 1985; Carleton and Stohl, 1987; Lebovic, 1988; McCormick and Mitchell, 1988; Poe, 1991, 1992; Poe and Meernik, 1995; Hook, 1996; Payaslian, 1996; Meernik, Krueger, and Poe, 1998.

⁵⁸ A. Cooper Drury et. al., The Politics of Humanitarian Aid: US Foreign Disaster Assistance, 1964-1995. *The Journal of Politics*, Vol-67, No. 2, May 2005, p. 3-4. Available at

http://journalofpolitics.org/files/67_2/drury.pdf, accessed on 12 May 2005.

⁵⁹ *Ibid*.

In the first week of January 2005, the UN appealed to the international community for US\$ 977m for the relief effort over the next six months of which it secured the pledge for US\$ 870m i.e., 89.04 percent of the appeal. This had been for the first time the world body had collected so much money in such short space of time as the Chief Coordinator of United Nations Humanitarian Assistance Jan Egeland reported. Later in April, the UN appealed for an additional US\$ 100m which bring the total amount requested for the year 2005, to nearly US\$ 1.1 billion.⁶⁰

Other multilateral institutions and individual countries also acted out promptly by providing relief aid which amounted to an aid pledge of US\$ 5.0 billion as of January 10, 2005.⁶¹ ADB and World Bank pledged significant amount of aid US\$ 675m & US\$ 250m respectively. Contributions by individual countries viz., USA, Australia, Germany, Japan – who had provided its biggest package of natural disaster aid ever – and Norway were also significant (Table-3).⁶² There were also significant pledges from the United Kingdom, Italy, China, Sweden, Canada, Denmark, Spain, France, and Republic of Korea totalling US\$ 743m. The response from the EU was also significant. Just after the deluge, on the very day the European Commission committed € 23 million (US\$ 30 million) in humanitarian aid. Later, an additional aid package of up to € 450 million (US\$ 585 million) was provided, which comprised further € 100 million (US\$ 130 million) in humanitarian aid as well as € 350 million (US\$ 455 million) to serve longer term reconstruction needs. In humanitarian and reconstruction aid, the total support from the European Union (25 EU Member States plus European Commission)

⁶⁰ Frances Williams, “UN Pulls in “under 10%” of Relief Appeal”, *Financial Times*, 7 April, 2005.

⁶¹ Aid pledges include cash donations, debt relief and low-interest loans. However, as compiled by the *Office for the Coordination of Humanitarian Affairs (OCHA)* of UN, as of 25 April 2005, the total governments pledge amounts to US\$ 5.78bln of which humanitarian aid is US\$ 2.88bn, and the private donations to US\$ 897m, totalling US\$ 6.69bn.

⁶² ADB, *op.cit.* p. 7.

estimated to around € 1.5 billion, or about US\$ 2 billion. In addition, the EC further announced a proposal for € 1 billion (US\$ 1.3 billion) “*Indian Ocean Tsunami Lending Facility*” to be managed by the European Investment Bank.⁶³

A unique characteristic of the response by international community and their relief effort was that there were huge private donations from individual countries. According to the information provided by the OCHA-Office for the Coordination of Humanitarian Affairs of UN, donations from private citizens of various countries amounts to US\$ 983m with an uncommitted donations of US\$ 53m totalling more than US\$ 1bn.

Table 3: Tsunami Aid Pledged by Individual Countries, Multilateral Institutions and EU

| Name of Donors | Amounts Pledged (In Million US\$) |
|--|-----------------------------------|
| Asian Development Bank | 675 |
| World Bank | 250 |
| USA | 350 |
| Australia | 816 |
| Germany | 664 |
| Japan | 500 |
| Norway | 182 |
| (UK, Italy, China, Sweden, Canada, Denmark, Spain, France and Republic of Korea) | 743 |
| EU | 2,000 |
| Total | 6,180 |

Source: ADB, UN Relief Web, The Economist.com, European Commission etc.

⁶³ Information about the EU relief effort has been provided by EC President José Manuel Barroso in his Speech at the “*Special ASEAN Leaders*” Meeting held in Jakarta, Indonesia on 6 January 2005.

Now a major diplomatic concern is that though there were huge pledges for humanitarian and reconstruction aid, how much of that pledge will actually materialize since international attention and resources shift to other emergencies as well. It could be recalled that pledges for the 2003 earthquake in Bam of Iran were not all fulfilled and there are survivors still living in tents. Of the US\$ 1.1bn pledged to help the people of the Iranian city of Bam, only US\$ 17.5m was sent according to the Iranian government. Mozambique likewise received less than half of the US\$ 400m that were actually promised after the floods of 2000 and Honduras and Nicaragua still await two-thirds of the US\$8.7bn proffered after Hurricane Mitch swept through in 1998. Tsunami pledges might not face the similar fate but the fact remains disparaging since in February of 2005, the UN urged the governments to fulfil their pledges in view of the fact that only one third of the pledge i.e., US\$360m has so far reached the world body's coffers.⁶⁴ Nevertheless, one significant development is that the UN for the first time has developed a tracking system that shows pledges and also receipts to try to hold pledging governments accountable. But the extent to which UN officials will really be able to expose and shame governments to follow through on their pledges is doubtful.

5.2.2. Military Deployment and Its Strategic Implications

Like all major disasters, huge military personnel and military hardware were deployed in the Tsunami disaster affected areas. In addition to national military of affected countries, military personnel and equipment from foreign countries were also deployed to administer the relief, rehabilitation and reconstruction work. This military deployment by foreign countries including the USA and

⁶⁴ UN: *Governments Must Provide More Tsunami Aid*, Associated Press, February 8, 2005.

India raised significant concerns both in the affected countries and among the international community about its strategic implications.

Approximately 40,000 military personnel from more than a dozen nations had been poured into the disaster areas around the Indian Ocean to ferry aid. The United Nations-coordinated effort included 16,000 U.S. forces, 16,000 Indian troops and 350 Australian military personnel. Pakistan and Spain each planned to deploy some 500 military personnel.⁶⁵ Japan expected to send about 1,000 troops launching Tokyo's biggest post-war military deployment for disaster assistance – a sensitive step in a country, whose defence policy is guided for a long time by the US-Japan Military Pact and, whose constitution renounces the use of force and, the right to keep a military. Nevertheless, Japan in recent years is in the process of formalizing rescue and relief operations abroad as one of the military's primary duties.⁶⁶

The large deployment of military personnel, ships and aircrafts (see Table-4) raised concerns both at the national and international level. Alarm was growing over the sudden appearance of US troops⁶⁷ in the role of aid givers. The looming spectacle of the US Navy's operations, close to the strategic Straits of Malacca, had raised concerns about the possibility of Washington establishing a long-term military presence in the areas where it was not physically present until now. In Indonesia, where the military has a long and bloody history of suppression, and also in Sri Lanka, where a civil

⁶⁵ Authors do not have further information about the actual military deployment by Pakistan and Spain.

⁶⁶ Portraying the military as a relief organization is an established trope at home by the Japanese authority. The Tsunami disaster was a chance to sell the same idea abroad. See, Masaru Tamamoto, "After the Tsunami, How Japan Can Lead," in *Far Eastern Economic Review*, Vol. 168, No. 2, January 2005, p.13.

⁶⁷ US had conducted its largest operation in Asia since the Vietnam War.

war has been raging for years, there was deep suspicion about Washington’s motives. Apologists for the US were trying to put a favourable spin by saying that “the United States has this unique capability to move rapidly with its military to take care of humanitarian and other security challenges in Asia.”⁶⁸

Table-4: Military Assistance by Various Countries to the Tsunami-hit Nations

| Supplier Countries | Recipient Countries | Troops | Helicopters | Aircrafts | Ships | Others |
|--------------------|-----------------------|--------|-------------|---|---|--|
| United States | Indonesia & Sri Lanka | 16,000 | 50 | 40 cargo, reconnaissance and refuelling airplanes | 17 Navy ships, aircraft carrier USS Abraham Lincoln and helicopter carrier USS Bonhomme Richard | US Navy hospital ship USNS Mercy from California to provide medical services to the survivors. |
| Australia | Indonesia | 350 | 4 Iroquois | 4 C-130 Hercules | | Set up a Military field hospital and a water purification plant in Banda Aceh |
| | Thailand | | | | | 25-member forensic identification team to Phuket |
| Bangladesh | Sri Lanka & Maldives | 157 | 2 Bell-212 | 2 C-130 | | |
| Britain | | | | 1 Cargo | 2 Naval | |

⁶⁸ The comment was made by Derek Mitchell of the Center for Strategic and International Studies, a Washington-based think tank.

| | | | | | | |
|-------------|---|--|----------------|--|---|--|
| China | The Chinese People’s Liberation Army (PLA) has airlifted nearly 500 tonnes of food, water, medicine and other relief supplies to Tsunami victims in Indonesia, Sri Lanka, India and Thailand. | | | | | |
| France | Sri Lanka & Maldives | 1,000 | 5 Puma | | | frigate Dupliex, helicopter carrier Jeanne d’Arc and frigate Georges-leygues |
| Germany | Indonesia | | | medical evacuation plane | supply ship Berlin with 150 crew | mobile hospital in Aceh |
| India | Indonesia, Sri Lanka & Maldives | 16,000 (biggest relief operation in its history) | 16 | 41 aircraft with 5,000 airmen including 7 IL-76 transports, 15 AN-32 and 3 Avro transports | 32 navy ships of which 2 were sent to Aceh, 5 to Sri Lanka, and 3 to the Maldives | mobile hospital in Sri Lanka |
| Italy | Thailand | 6 to 8 paramilitary police specialists in forensics to help identify bodies in Thailand. | | | | |
| Japan | Indonesia & Thailand | 1,000 | 5 ^a | one transport plane with 40 military personnel | 3 ships ^a | |
| Pakistan | Indonesia | 500 military personnel in medical and engineering teams. | | | | Field hospital comprising 60 doctors, paramedics and a company of engineers |
| | Sri Lanka | | | | | |
| Spain | Indonesia | 650 | | 5 transport planes | one naval hospital | mobile plant to purify drinking water |
| Switzerland | Indonesia | 3 Super Puma military helicopters to deliver aid in Aceh | | | | |

Source: Compiled from Reuters bureaux, London, as of January 9, 2005.

^a See, Masaru Tamamoto, *op.cit.* p. 13.

But it seems that the US government had decided to take the good opportunity to strengthen its relations with local militaries, and establish its presence in areas that have not been very welcoming. Before the Tsunami disaster it would have been unthinkable for a US aircraft carrier to dock in Indonesia's waters, or US marines to rub shoulders with troops from the world's most populous Muslim nation. US Rear Admiral Doug Crowder told the Washington Post that he expected the joint efforts to improve prospects for resuming full military ties with Indonesia which were cut back after massive movements in both Indonesia and East Timor, starting a war that killed one-third of the population there.

The admiral's expectation came into reality when the US had lifted its ban⁶⁹ on the sale of military spare parts to Indonesia, since the parts were needed to get C-130 transport planes flying again. This lifting of ban had surely paved the way for the US to resume military deal with Indonesia.

Nevertheless, the Indonesian authority urged the foreign troops to withdraw as soon as possible. In fact, they provided a deadline of three months ending on 26 March 2005, to the US military to leave the country.⁷⁰ The government of Indonesia also restricted military movement beyond the provincial capital of Aceh and the western coast of Meulaboh on the allegation of safety of the aid workers.

Japan's initiative by mobilizing the largest post-Second World War military movement also raised concerns among the defence analysts and its neighbours. Japan's relief effort could be considered

⁶⁹ The US had imposed a ban on selling military hardware to Indonesia following the violation of the cease-fire by Indonesian government in May 2003.

⁷⁰ Later it was found that United States complied with the deadline though the authors are unaware that whether the withdrawal was complete or some of them are still there.

as a step to conform to the recently issued National Defence Program Guideline (NDPG),⁷¹ which promulgates a new strategy to integrate national defence and international security policies in recognition of the changing international security environment. The NDPG advocates a multi-functional, flexible and more efficient force structure, and the successful Tsunami relief was the first example of the kind of international cooperation advocated in the NDPG.⁷² The Tsunami relief effort, in fact, broadened the acceptance of using military force in non-traditional settings for a country whose constitution prohibits the use of force and military deployment.⁷³

5.2.3. Debt Freeze and Delaying Repayments

After a meeting on 12 January 2005, in Paris, France, the Paris Club, an informal creditor group of the world's nineteen wealthiest nations, announced on 13 January 2005, freezing debt repayments for Indonesia, Sri Lanka and the Seychelles⁷⁴ being the highly indebted countries affected by the Tsunami (see Table-5). Thus these three countries got the option to request a deferral of principal and interest repayments due to Paris Club creditors.⁷⁵

⁷¹ The National Defense Program Guideline (NDPG) for FY 2005 was approved by the Security Council and the Cabinet on December 10, 2004.

⁷² Mr. Hiroshi Marui commented in a discussion group titled "*The New Defense Plan Guideline and Tsunami Relief: Implications for the Role of the Japan Self-Defense Forces*", hosted by CSIS on January 25, 2005.

⁷³ Jim Przystup of NDU, *Ibid*.

⁷⁴ *The Bangladesh Today*, World's Leading Creditors Plan Debt Freeze for 3 Quake-hit Nations. 13 January 2005.

⁷⁵ The Paris Club agreed to debt moratorium for an initial three-month.

Table-5: Foreign Debt Carried by Tsunami Hit Countries

| Countries | Foreign Debt (US \$ billions) | % of GNI | Total Debt Service(% of exports of goods and services) |
|------------|-------------------------------|----------|--|
| Indonesia | 130.8 | 79.5 | 24.81 |
| Sri Lanka | 7.7 | 47.14 | 9.7 |
| India | 82.9 | 16.37 | 14.88 |
| Thailand | 58.2 | 46.6 | 23.09 |
| Myanmar | 4.1 | na | na |
| Malaysia | 48.2 | 54.6 | 7.3 |
| Maldives | 0.2 | 33.59 | 4.4 |
| Bangladesh | 11.0 | 22.0 | 7.31 |
| Somalia | 2.5 | na | na |
| Tanzania | 1.8 | 18.8 | 8.8 |
| Kenya | 4.5 | 36.75 | 13.58 |

Source: World Bank Data, World Development Indicators, 2004.

* na-not available

Indonesia, the worst affected country, is also the most indebted country whose debt amounts to US\$ 130bn, which is also 80 percent of the country's GNI. The country has to pay 25 percent of its export earnings as debt service. Sri Lanka, another severely affected country, also has a huge amount of foreign debt which accounts to 47.14 percent of the country's GNI, and the country has to pay 10 percent of its total export as debt service (Table-5). Thus even a debt moratorium for Indonesia and Sri Lanka will help them to pour more money in its rehabilitation and reconstruction programme and then recover from the disaster.

According to the former French Finance Minister Herve Gaymard, other affected countries in Southeast Asia and east Africa were not provided with the moratorium since they have a lower level of indebtedness and did not want their credit rating to be downgraded on international financial markets. Accordingly, despite

the substantial foreign debt (see Table-5), India, Malaysia and Thailand had indicated that they would not seek repayment suspensions since accompanying conditions could make it harder or more expensive to obtain credit from international financial markets.

Debt relief, in fact, is a boon for the affected countries since this helped the donors to contribute money more directly to the government budgets.⁷⁶ The alternative is for governments to borrow from international financial institutions or private capital markets, increasing their indebtedness. However, as informed by Mr. Gaymard, all these debts were not scandalous debts and excluded obligations to international financial institutions. Nevertheless, on 14 January 2005, one day after Paris Club announcements, the International Monetary Fund agreed to delay US\$113.5m in Sri Lanka's debt repayments to the fund in 2005, following Sri Lanka's request for this extension.⁷⁷

5.3. Conference Diplomacy at Regional Level

At regional level one can find conference diplomacy at work. Regional organization like ASEAN (Association of Southeast Asian Nations) responded promptly to the disaster convening emergency meeting of the regional forum to device ways and means to deal with the situation. The Tsunami hit both the countries of South Asian and South East Asian regions. While Southeast Asian regional organization ASEAN responded vigorously, South Asian regional organization SAARC (South Asian Association for Regional Cooperation) failed to meet the emergency by taking any significant

⁷⁶ See, Simon Maxwell and Edward Clay, "The Asian Tsunami: Economic Impacts and Implications for Aid and Aid Architecture", *Opinions*, No. 32, London: Overseas Development Institute, January 2005.

⁷⁷ *The Bangladesh Today*, IMF Delays Lankan Debt Payments for 2005. 15 January, 2005.

initiative. This only revealed the organization's structural weaknesses and lack of vigour.

5.3.1. ASEAN's Response: Timely and Vigorous

ASEAN responded vigorously and poignantly to the devastation of the disaster. Since four of its members – Indonesia, Malaysia, Myanmar and Thailand were affected in the Tsunami, ASEAN responded very quickly by calling a special meeting at Jakarta on 6 January 2005⁷⁸ where leaders of member countries assembled together to consider the impact of and response to Tsunami disaster. The meeting was also participated by the heads of state and senior officials from nations providing assistance that included India, China, Japan, Australia and the United States. The heads of international organizations were also present that included the Asian Development Bank, World Bank, International Monetary Fund and the UN.

In the meeting, the ASEAN leaders resolved to respond at three fronts – a) emergency relief, b) rehabilitation and reconstruction, and c) prevention and mitigation. For emergency relief, the leaders had agreed to mobilize additional resources to meet the emergency relief needs of the victims. They requested the UN to establish a “standby arrangement” at the global level for immediate humanitarian relief efforts and to appoint a Special Representative of the UN Secretary-General to appeal to the international community for humanitarian aid.

For reconstruction and rehabilitation, the leaders of the ASEAN countries called on the international community, in particular the donor countries, the World Bank, ADB, the Islamic Development Bank, European Investment Bank, and related financial institutions

⁷⁸ The meeting was convened by the President of Indonesia General Susilo Bambang Yudhoyono.

to provide the necessary fund for the viability and sustainability of the national rehabilitation and reconstruction programs.

For prevention and mitigation, the ASEAN leaders stressed the need for a regional early warning system on the Indian Ocean and the Southeast Asia region. The President of Indonesia called for revitalizing the ASEAN Regional Program on Disaster Management and formulating an action plan for the establishment of an ASEAN Security Community that will provide for coordinated use of military and logistics in rescue and relief operations.

In brief, the response from the ASEAN was timely and vigorous, and it had been able to take appropriate decisions regarding the relief, rehabilitation and reconstruction effort. Their resolve to establish a regional Tsunami early warning system had been applauded by the affected countries and by the world community. Such an initiative is expected from a regional organization like the ASEAN.

5.3.2. SAARC's Response: Revealing Structural Weaknesses

SAARC's response, on the other hand, was very limited and inadequate. SAARC responded immediately after the disaster by postponing the 13th SAARC Summit scheduled to be held on 7-9 January 2005, in Dhaka, Bangladesh, on the request from Sri Lanka that it would not be able to attend the Summit. Though four member countries of the SAARC i.e., India, Sri Lanka, Maldives and Bangladesh had been affected, the regional organization could not take any visible initiative to respond regionally to the disaster. While it is understandable that SAARC as a regional organization neither has the strength nor the commitment equivalent to ASEAN, nevertheless, the association could have organized an emergency conference as ASEAN did to work out the ways to respond to the disaster. However, the member countries of the association could come to a consensus that the Tsunami disaster and the early warning

system would be included in the Agenda of the 13th SAARC Summit.

5.4. Individual Countries' Responses and Disaster Assistance Diplomacy

The Asian Tsunami, to some extent provided an opportunity to certain countries to take advantage of the situation and ascertain their position in the international arena. The United States, the sole superpower, which has been facing serious image crisis due to its war in Afghanistan and Iraq, has aptly made use of the disaster situation to show its human face to the world and particularly to the Muslim community of both the affected countries and of the world. Another country, which in recent times, has been aspiring for global status and also consider herself as a regional power that is India, made timely efforts to express its competency of taking responsibility of a major power status. These two countries, viz. the United State and India's responses, and their further diplomatic implications are analysed below.

5.4.1. United States: The Superpower's Response

The United States, the lone superpower, responded late to the disaster. President George W. Bush waited three days before commenting publicly on the disaster, in the process drawing flak from all corners including the United Nations.⁷⁹ This late response initiated debate about the richest country's reaction to the devastation in South and South East Asia.

⁷⁹ On December 27, UN emergency relief coordinator Jan Egeland had criticised wealthy nations for "stinginess".

On the other hand, America's aid appeared niggardly (starting with US\$ 15m to US\$ 35M and finally ends up at US\$ 350m⁸⁰), especially when compared with the amounts offered by countries with a fraction of America's economic wealth (see Table-3).⁸¹ This was reflective of the fact that the world's richest country was in general the most miserly in foreign assistance- all the more so in comparison to the amount it spends on war and defence.⁸²

Some analysts of international politics are of the opinion that the Tsunami disaster provided an opportunity to the United States to appease the Muslim World to show their human face since most of the affected countries were Muslim majority countries. The US former Secretary of State Collin Powell in his speech in the Jakarta Summit held on 6 January 2005, also spelled out the same intention that, "...It does give the Muslim world ... an opportunity to see American generosity, American values in action....And I hope that as a result of our efforts.... that value system of ours will be reinforced."⁸³ But in Aceh, where Indonesian Islamist groups were

⁸⁰ Part of the US\$ 350m had been channelled as bilateral grants and some through multilateral institutions, in addition to the cost of relief work being undertaken by US military forces.

⁸¹ Lightly populated Australia offered more than twice of America, Japan promised almost 50% more, and Europe pledged more than five times as much

⁸² The White House has so far requested roughly US\$100bn for the occupation of Iraq in FY 2005, which translates to about US\$ 8.3bn per month, or over US\$270m per day. Further, the US military budget requested for FY 2005 was US\$ 420.7bn – double that of China, Russia, the UK, France and Germany combined. See SIIPRI Yearbook 2005.

⁸³ Mr. Powell even mentioned that the begrudging and belated funding offered by Washington to the ongoing relief effort is all part of its "global war on terror". Speaking of US aid and military participation he declared: "It dries up those pools of dissatisfaction that might give rise to terrorist activity. That supports not only our national security interest but the national security interests of the countries involved."

giving relief, some Muslims had denounced America's help as cynically motivated. The deep-rooted anti-American feeling among the Muslims of the world has its origin in the war in Iraq, the Global war on terror, and the way it is being prosecuted, the visa and immigration regulations and lots of other things. The humanitarian effort by US could substantially improve the U.S. image to the Muslims of the world but only temporarily because the factors causing that negative image have not all gone away. This humanitarian relief effort would not wipe out every thing that is causing distress with U.S. government policies.

Formation of Core Groups: US's Desire to Lead

The US response to the Tsunami disaster was also characterized by the formation of a Core Group of Nations by the USA on 29 December 2004, comprising – the USA, Australia, Japan and India with Canada and the Netherlands added later – to spearhead and coordinate relief efforts. These were the countries with significant military assets in or near the disaster zone. However, one important fact was that China – a major power in the region – had been excluded. One explanation may be that Japan, Australia and others are long-term US strategic allies whereas US-China relations are characterized by that of mistrust and suspicion.

Beginning the evening of 29 December 2004, senior officials representing each country in the Core Group held a daily conference call to discuss the initial relief effort. In addition to coordination, the Core Group identified gaps and made plans to fill them. Some observers of international relations called it “*an interesting new kind of diplomacy.*” Nevertheless, in the first week of January 2005, the Core Group took itself out of the business, turning over the medium and long-term relief effort to the UN at the 6 January 2005, meeting in Jakarta.

The formation of Core Group and entrusting it with the responsibility of relief coordination largely thwart the relevance and competency of the United Nations in coordinating the relief efforts. In Kofi Annan's assessment, the group consisted of a few countries “*which have assets in the region, military or otherwise*” and they “*came together to support the relief effort*” in the immediate context of the Tsunami strike and had sought to convey that the Core Group's mandate was humanitarian in scope. However, USA afterwards realized that coordination of relief efforts will only be possible and acceptable to the world community if it is conducted by the world body i.e., the United Nations.

5.4.2. India's Responses: Global and Regional Aspirations

It is interesting to note that despite suffering a great loss of life and being in need of Rs. 7,500 crores (US\$ 1.66bn) for relief and reconstruction, India not only declined to accept any foreign assistance for relief efforts at home but was the first to deploy huge resources in the affected neighbourhood. The Government announced that it was not seeking any outside help with immediate relief. In the words of Indian Prime Minister Mr. Manmohan Singh: “several countries had offered assistance, but [...] we have enough resources and would be happy to receive assistance when needed.” New Delhi's message to the international community undoubtedly enhanced its posture as self-reliant nation without ‘aid seeking mentality’ but in some quarters Indian's stand was largely criticized and was seen as a move to be recognized as a regional power and a claimant for a permanent seat in the United Nations Security Council (UNSC).

Relief Efforts at Home

After few days of the disaster, the Indian Prime Minister declared a total of Rs. 700 crore (US\$ 155m) for its disaster affected

Tamil Nadu, Andhra Pradesh, Kerala, Pondichery and Andaman and Nicobar Islands. As a World Bank report acknowledged, the Government of India had been highly effective in immediate relief and recovery, including disposal of bodies, disinfection and vaccination, provision of food, water, and emergency shelter, and sanitation and clearing of debris.⁸⁴ Significant funding has been raised from the public, especially through an appeal launched by the Prime Minister. Within two weeks of the disaster, the Prime Minister's relief funds had received donations of about US\$ 80 million.⁸⁵ An ex-gratia payment of Rs 1.00 lakh (US\$2,222) had been announced to the next of the kin of the deceased from the PM National Relief Fund, in addition to the assistance available from the National Contingency Relief Fund.

However, though India denied bilateral aid or grants, it asked for grants and concessional credits from multinational institutions like the World Bank and the ADB. On January 10, 2005, the Government of India wrote to the World Bank and to ADB asking for support for rebuilding infrastructure, both public and private, for the rehabilitation of livelihoods of those affected, and in developing disaster prevention and management systems for the future. An identical request was addressed to the UN (under the coordination of UNDP) on January 12, 2005. The Government of India also asked multilateral institutions to explore mobilizing funding from bilaterals on a grant basis, to be channeled through multilateral agencies, probably through trust fund arrangements of ADB and WB. In response to these, the World Bank, ADB, and UNDP had jointly prepared a need assessment of US\$1.2 billion for post-Tsunami

⁸⁴ World Bank, *World Bank Response to the Tsunami Disaster*, Feb 2, 2005.

⁸⁵ Fareed Zakaria, *Amid Disaster, How India Makes a New Beginning*, *The Bangladesh Today* of 16 January 2005.

short-term and medium-term reconstruction and rehabilitation program for India.⁸⁶

Declaring Aid for other Affected Countries

India not only denied international aid but moved a step forward by declaring relief assistance to Sri Lanka and Maldives, and even to Indonesia and Thailand. The Prime Minister of India announced Rs 100 crore (US\$ 22.2m) composite relief package for Sri Lanka, Rs 5 crore (US\$ 1.1m) for Maldives, and a composite relief package worth half-a-million USD for the least affected Thailand. It had announced a composite relief package of US\$ 1 million for worst affected Indonesia and also proposed extending concessional lines of credit for reconstruction in Aceh. In the words of Veena Sikri, High Commissioner of India to Bangladesh, "India's response in the face of this crisis demonstrates that we have both the national will as well as the resources to meet this unprecedented challenge."⁸⁷

Rapid Military Deployment for Disaster Assistance

India, responded very quickly to the Tsunami disaster by providing the largest relief operations ever, involving approximately 16,000 troops, 32 navy ships, 41 aircrafts, and several medical teams and a mobile hospital (see table-4). Indian armed forces were the first to reach Sri Lanka and the Maldives, and initiated the relief operations by "*Operation Rainbow*" to Sri Lanka and by "*Operation Castor*" in Maldives. The Indian military reached Indonesia by day 4

⁸⁶ ADB, UN and WB, *India Post Tsunami Recovery Program: Preliminary Damage and Needs Assessment*. New Delhi, India, March 8, 2005, p. 9.

⁸⁷ See, the Special Supplement published with the renowned Bangladeshi Dailies on the occasion of the 51st Republic Day of India.

(on December 29, 2004) and initiated relief operation to worst affected areas by “*Operation Gambhir*”.⁸⁸

All these moves by India are clear demonstration of its regional and global ambitions, and the role it seeks to develop in the region and in global context.

5.5. Donor Diplomacy and Domestic Politics within Affected Countries

Diplomacy and politics surrounding Asian Tsunami at the national level involved the separatist movement in the Aceh province of Indonesia, and the decades’ long ethnic conflicts in Sri Lanka. It also involved a test of the effectiveness of the donor countries and agencies to broker peace in Indonesia and in Sri Lanka as a condition of aid.

5.5.1. Ethnic Conflicts in the Aceh of Indonesia and in Sri Lanka

The worst affected areas of Indonesia and Sri Lanka had also been the one’s troubled by longstanding separatist movements and prolonged ethnic conflicts. The political problems in these worst affected countries raised the diplomatic concern regarding the donor’s role in brokering peace since the international community for long demanding resolution of these conflicts. There was also significant concern that whether and to what extent, these conflicts related political issues will hinder the relief and reconstruction efforts in the rebellious areas.

Governments in Indonesia and also in Sri Lanka were constantly accusing the rebels in respective areas for impeding the relief efforts by both the government agents and the international community. The

⁸⁸ Kalsoom Lakhani & Pramit “Mitra, Tsunami Disaster’s Diplomatic Implications”, *South Asia Monitor*, No. 79, Feb. 1, 2005, South Asia Program, Center for Strategic and International Studies (CSIS).

conflict ridden areas of Indonesia and Sri Lanka are controlled by the rebels. In some areas, they hold complete authority, and the government troops do not have access in those areas. Thus, it became difficult for the government agents to provide emergency relief to the suffering people. On the contrary, the Free Aceh Movement (GAM) leaders in Indonesia and the LTTE – Liberation Tigers of Tamil Eelam – leaders in Sri Lanka were claiming that the Government had discriminated relief distribution and rehabilitation work. They maintained that the government’s relief had not reached the conflict areas and in the process only the poor people had to suffer.

International community too persistently blamed both the governments and the rebels that their infighting and conflict blocking the emergency relief efforts by international relief and humanitarian organizations. It was reported that transport vehicle loaded with aid frequently had to halt on their way to the affected areas for hours due to the fire fight between the government troops and the rebels. The international relief agents and the NGOs had demanded for reduction of government troops in the rebellious areas to trim down the likelihood of conflict. But the concerned governments were suspicious and anxious about military withdrawal on the belief that the rebels may seize this opportunity to destabilize the government and be successful in their movement.

On the other hand, governments in Indonesia and Sri Lanka tried hard to exploit the disaster situation to stigmatize the warring people in their respective countries, as the latter blocking aid work in conflict areas. Governments, in fact, were trying to raise the concern of the international community and thus persuading them to stand beside them to crush the movement. The rebels, on the other hand, were accusing the government of using the disaster as a pretext for sending government troops into the rebel-controlled areas and increased military strength where it had already existed.

5.5.2. Could Donors Broker Peace in Indonesia and in Sri Lanka?

After the Tsunami, it was hoped that the mutual losses and the need to work together in the relief and reconstruction will help resolve bloody separatist movements in Indonesia and in Sri Lanka. It was also hoped that Tsunami aid might have provided an opportunity to the international community to exert pressure upon the respective governments to renew the peace efforts with the GAM leaders in Indonesia⁸⁹ and with the secessionist Tamil Tigers in Sri Lanka.

GAM separatists and Indonesia's government made conciliatory gestures after the Tsunami even unilaterally declaring a cease-fire by the rebels to help aid workers in providing relief to Tsunami victims. They made a "gentlemen's agreement" to expedite the relief effort and foreign aid workers gaining access to areas previously closed off. Peace talks were expected to resume shortly, but since the devastation both were accusing one another of initiating several clashes as their three-decade-old conflict drags on. It has been difficult to fix the problem since the grievances of the Acehnese are deeply embedded in Indonesia's political landscape, including the economic interests of politico-businessmen, the localized power of a recalcitrant military, and the extreme pluralism and division that mark the polity.

⁸⁹ The war between the Indonesian military and the Free Aceh Movement (GAM) has raged for more than two decades. A ceasefire negotiated in 2002, with the involvement of former general Anthony Zinni as US representative, was brutally broken by the military in May 2003. The Indonesian military is a virtual state within a state and is unaccountable for its human rights violations in conflict areas. It is doubted that after its war of ethnic cleansing against East Timor concluded with independence following diplomatic intervention, the military was determined not to lose Banda Aceh.

Nevertheless, very discretely, talks began between the government of Indonesia and the GAM rebel fighters with a mediation by the former Finnish President Mr. Marti Ahtisaari. These talks led in mid-August of 2005 to a landmark Memorandum of Understanding (MOU).⁹⁰ Under the agreement, the Aceh rebel fighters agreed to give up their armed struggle for independence and demobilize itself. In exchange, the Indonesian government offered far-reaching autonomy for Aceh and an amnesty for the GAM fighters.

In case of Sri Lanka, it is disappointing that even the massive destruction could not sweep away the culture of political violence, ideological hostility, personal rivalry and mutual suspicion built up over many decades. Both the government and the Tamil Tigers had squabbled over the international aid. The government wanted all donor assistance, including that portion which would go to the areas under LTTE control, to be channelled through Colombo, whereas the LTTE was making a strong bid to get the funds directly. The donors were also interested in the process of aid disbursement, and recognized aid as their leverage to effect a real lasting peace. But the prospect is dim since the Tamil Tigers had been so far insisting on resuming talks only on the basis of the Interim Self-Governing Authority proposal submitted in October 2003, which was implacably opposed by the nationalist Marxist People's Liberation

⁹⁰ The deal was signed in Helsinki, Finland, on August 15, 2005, and is expected to call for some 50,000 Indonesian troops to withdraw from Aceh and for 5,000 guerrillas to lay down their arms under an amnesty. The accord also breaks a political logjam by allowing representatives of the Free Aceh Rebels (GAM) to participate in local elections. The EU and five ASEAN countries namely Brunei, Malaysia, Philippines, Singapore and Thailand formed the Aceh Monitoring Mission (AMM) to oversee the implementation of the MOU that guides the peace process.

Front, or JVP, the former coalition partner of former President Chandrika Kumaratunga.

The Presidential Election in November 2005 and, the election of Mr. Mahinda Rajapakse as the new President of Sri Lanka have transformed the whole scenario of peace negotiation, rendering a setback to the peace processes since he is believed to be a follower of hard line approach towards resolving the country's ethnic conflict. After the latest bomb attack in the army headquarter in Sri Lanka in April of 2006,⁹¹ the government and the LTTE had plunged into a renewed conflict and now the government is struggling to survive the renewed threat of suicide bombing from the LTTE side. As an observer remarked, the situation now on the ground bears somewhat similarities to the days of conflict before February 2002.⁹²

6. Conclusion

Though the number of loss of human life, homelessness and displaced populations were very high, the macroeconomic impact of the Asian Tsunami is limited and marginal as was envisaged earlier. The devastation was largely confined to rural underdeveloped areas, except some tourist destinations rather than important economic and densely populated urban centres and industrial hubs. But the economic impact has been felt severely at the local and community levels which pushed thousands of poor people into deeper poverty. South Asian areas dependent on tourism dollars are likely to suffer extensively as estimates of financial damages reached into the billions.

⁹¹ On 25 April of 2006 a suicide bomb attack occurred in the army headquarter in Sri Lanka killing ten people and injured twenty-seven. The army Chief of Sri Lanka Lt Gen Sarath Fosneka was seriously injured.

⁹² P. Liyanage, "Sri Lanka: War Amid the Ceasefire?" *BBC News*, 27 April 2006. Available at <http://news.bbc.co.uk> accessed on 5 May 2006

The Maldives and Sri Lanka on account of their small geographical size, structure of their economies and large fiscal deficits have been the most adversely affected countries. The impact on Indonesia is likely to be trivial as the oil and natural gas facilities survived unaffected. India and Thailand could post higher GDP growth rates than originally forecast for the reconstruction efforts.

The damages to the environment will take a long time to recover. The main damage is being caused by poisoning of the fresh water supplies and the soil by salt water infiltration and deposition of a salt layer over arable land. In the longer term, the reconstruction process might have significant impacts on the environment. For this it would be better to integrate environmental protection and management with economic development in the region.

Furthermore, the Tsunami disaster urgent relief operation became a diplomatic trial of strength among several strong and formidable countries, and certain big powers used disaster relief to extend their influence and win international friendship. The contributions come from countries to UN, provide the UN an opportunity to prove itself capable of making a real difference in improving peoples lives and livelihoods, thereby to demonstrate its unique position and continued relevance particularly in an age of pronounced demands for its reform.

India and Thailand's denial of international aid are praiseworthy since it reveal their self-reliance rather than aid dependent mentality. But questions do arise about their competence to cope with the situation. As for instance, after denying foreign aid groups' entry to the Andaman and Nicobar Islands, the Indian Government according to press accounts, took four days to bring in food, and then left the first shipment on a broken jetty difficult for survivors to reach. In case of Thailand, which had rejected international emergency aid, the government had reportedly not been helping the thousands of

Burmese migrants living in Thai coastal areas, and made homeless by the Tsunami. Nevertheless, India's refusal of aid for the Tsunami disaster has been both polite and reasonable, which is a gentle reminder to the world of India's prospect as a permanent member in the UN Security Council.

The unprecedented military deployment in the disaster area was, however, not a happy incident. In Indonesia, many Muslims were not happy since they could not ignore the fact that the same US military that invaded Iraq and Afghanistan is now engaged in its largest operation in South Asia since the Vietnam War. Doubts were mounting about the real intention of the US. In Thailand, Indonesia and Sri Lanka such doubts were standing in the way of aid effort. The Sri Lankan leftist party, the New Left Front (NLF) leader Dr. Vickramabahu Karumarathne stated that it was totally unnecessary to commit troops for relief work and condemned the US move as forwarding its own agenda of gaining a foothold in Sri Lanka and exploit its strategic location under the cover of relief and rescue operations.

Regarding peace in conflict ridden areas of Indonesia and Sri Lanka, the case of Indonesia fulfilled the expectation that Tsunami had been supportive of effecting a peace agreement between the government of Indonesia and the GAM fighters. The case of Sri Lanka is different as it is found now a days. The peaceful solution to the conflict in Sri Lanka seems remote and, as some scholars are of the opinion that the break-up of the country is inevitable, which is only a matter of time.

Finally, it is to be noted that after the Asian Tsunami and the accompanied devastation there has been a renewed interest and vigour in the disaster management effort and coordination among the policy makers and leaders of the world. At the global level, the world organizations are at the moment vigorously committing itself to the

worldwide efforts in disaster management in general and Tsunami disaster management in particular. The UN education and scientific agency (UNESCO) are organizing and coordinating global efforts to build a worldwide early warning system that would warn against Tsunamis as well as other natural disasters like floods, typhoons, hurricanes and volcanic eruptions. It hopes to have such a system in place by 2007.⁹³

⁹³ James Brooke, "U.S. Vows to Attain Global Warning System", *The New York Times*, 20 January 2005.

Annex - 1
Tsunamis in South Asia

| Date | Location |
|------------------|----------------------------|
| 1524 | Near Dabhol, Maharashtra |
| 02 April 1762 | Arakan Coast, Myanmar |
| 16 June 1819 | Rann of Kachchh, Gujarat |
| 31 October 1847 | Great Nicobar Island |
| 31 December 1881 | Car Nicobar Island |
| 26 August 1883 | Krakatoa volcanic eruption |
| 28 November 1945 | Mekran coast, Balochistan |

Source: *Amateur Seismic Centre, India.* (<http://asc-india.org/menu/waves.htm>)

Annex - 2
The Death Toll of the Asian Tsunami

| Country | Death | Missing | Total Casualties |
|--------------|----------------|---------------|------------------|
| Bangladesh | 2 | | 2 |
| East Africa | 164* | 139** | 203 |
| India | 12,407 | 3,874 | 16,281 |
| Indonesia | 131,029 | 37,000 | 168,029 |
| Malaysia | 69 | 5 | 74 |
| Maldives | 82 | 26 | 108 |
| Myanmar | 61 | | 61 |
| Sri Lanka | 38,940*** | | 38,940 |
| Thailand | 5,395 | 2,817 | 8,212 |
| Total | 188,149 | 43,861 | 232,010 |

Source: *Relief Web.* <http://www.reliefweb.int>

*Figure includes Kenya, Seychelles, Somalia, Tanzania and Madagascar

**Figure for Somalia only

***Sri Lanka has now combined the figures for its dead and missing into one figure for dead and presumed dead and missing.