

**THE TSUNAMI TRANSFORMATION: HOW AGENCY FOR
RECONSTRUCTION AND REHABILITATION [BRR] CONVERT
DISASTER INTO AN OPPORTUNITY TO SUSTAINABLY
DEVELOP TSUNAMI AFFECTED REGIONS OF
ACEH AND NIAS**

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ABSTRACT

Reconstruction and rehabilitation is urgently needed by Aceh, both in terms of infrastructure and its development of the economic sector. Acehnese need to face this challenge to not only reconstruct the economics of Aceh but also to reconstruct the infrastructure and to build the social life of the Acehnese people. After the tsunami, Acehnese have lost their family member and also their property. It has been three years and the reconstruction for the transformation is still going on. The primary task of transformation projects should be further intensified and the education system, infrastructure, health, social, cultural, and economic development of Acehnese need to be reconstructed. This paper tries to elaborate the political economy related to the acute problems faced by BRR and Aceh Local Government and other agencies in the region.

Keywords: sustainable development, transformation model, tsunami disaster

INTRODUCTION

In the aftermath of tsunami disaster, the Acehnese faced the problem of changing Aceh's situations, from a bitter past to a better prospect. That is what Acehnese thought after the tsunami devastated the coastal land of Aceh at the end of 2004, two years ago. On December 26, 2004, one of the largest catastrophes of this recent century occurred in Aceh. It has not only affected hundred thousands of Acehnese but has also paralyzed the economic structure of Aceh. But life must go on for the Acehnese and as a good Muslim, every Acehnese should always be optimistic to face this life in the hope of a brighter future. The Acehnese are still dreaming for a better life and hoping for a future which is peaceful, democratic and civilized.

With this tsunami transformation, the dream shared by many in Aceh is coming true; that civil society has a shared vision of the sustainable development of their

province. Fortunately, The earthquake-driven tsunami did not sweep away this dream - but rather revived it. To realize this dream it will be necessary to legally constitute a structure at the municipal level, with participation from civil society, local government and the central government.

Background

The current national situation in Aceh has been determined by a combination of political and socio-economic problems. The problems include an unequal distribution of the benefits of economic growth and the irrational exploitation of natural resources, which, in turn, caused an environmental crisis now worsened by the devastating effects of the earthquake-driven tsunami. The economic model defined the development according to external needs and promoted the exploitation of natural resources with no concern for the future. In the early 1930s, there were an estimated 22 million hectares of forestland in Aceh. This was reduced to 10 million hectares of forests during the Soeharto family's regime (BAPPENAS, 2004).

By the late 1970s, the model of dependency on agricultural exportation was clearly structurally untenable, and the Green Revolution triumphed within this context. During the 1980s, an attempt was made to construct a model in which the state acted as the key actor in development, and attempts were made at a broad distributive policy, reinsertion into the world economy and the diversification of international economic relations. Military conflict among other things weakened this model, making its continuation impractical. The conflict also caused damage that would be felt for years to come in all aspects of national life. The irrational exploitation of forestry resources was not contained during this period. As a result, the local government was left with an inventory of some 4.5 million hectares of forestland. During the Soeharto administration, the forest inventory was further reduced to a mere 2.5 million hectares. The number of registered lumber companies grew from 22 in 1993 to more than 600 in 1995; these had no rational management plan, and thus environmental degradation increased. Susilo Bambang Yudhoyono's government administration received a forestry inventory that, according to official government statistics, covered 3.2 million hectares. Environmental degradation continues however, contraband has increased as has the illegal exportation of lumber (BAPPENAS, 2004).

All this has taken place in the midst of strict stabilization and adjustment programs, the most evident results of which have been economic growth for a select few and increased poverty and inequality for the majority. Within this context, the earthquake-driven tsunami occurred as the climax to a long story of impoverishment and deterioration of natural resources and of the quality of life and living conditions of the population. The devastating effects of the

earthquake-driven tsunami in Aceh are intimately related to the consequences of the historical development model and the prevailing neo-liberal economic model. The fundamental assumptions of the neo-liberal proposal include the deregulation of market operations and, in this context, the liberalization of banking and commerce, a decline in the population's demand capacity, a reduction of the role and size of state and a closing of the fiscal deficit, all without concern for the human costs and without prioritizing the population's standard of living. The Acehnese, are concerned on one hand about the heavy burden of foreign debt and the contracting of new loans, especially with international financial organizations. On the other hand, the Acehnese are also concerned that the commitments required for these loans will increase the concentration of capital among the traditional power groups and further weaken the Aceh's institutionalism, to the detriment of pluralism and democracy.

The reconstruction project cannot exclusively seek to insert the national economy into the international market, with a strong bias towards the development and consolidation of the commercial export activities favored by globalization and the infrastructural modernization necessary for such activities. It must not ignore the possibility of forming and developing an internal market that would make viable in human terms the transformation. Establishing programs to "mitigate" extreme poverty and the severe vulnerability that such poverty causes for the population does not allow for the construction of viable national states with sustainable economies and democratic and governable societies. Rather, it only prolongs the existing structural problems. The need to provide the basic elements necessary for human survival (basic consumer goods and sufficient food products) cannot be ignored. Nor can the satisfaction of the Acehnese population's pressing needs be set aside.

In addition, export promotion, in and of itself, does not represent an alternative for sustainable human development even when it ensures growth in macroeconomic indicators as long as the model of unequal income distribution remains and activities resulting in minimal value added continue. Although it may serve as an economic survival strategy to generate employment, the *Pancasila* economic system does not contribute significantly to a reduction in poverty or to the general technological advance of its host country. It is essential that the development proposals include alternatives that promote activities involving higher levels of value added. These, in turn, contribute to the development and strengthening of the domestic market and to the creation of more equitable income re-distribution mechanisms. A national reconstruction proposal must respond to a medium and long-term strategy for the Aceh's internal development, the reconstruction of the state for the good of the nation, and the strengthening of the democratization process. As fundamental goals, such a proposal must also focus on the inclusion of a gender perspective and

environmental preservation. A perspective of equality is essential, centered on resolving the fundamental inequalities that affect our nation: those between men and women, between adults, children and adolescents based upon which other inequalities are founded. Most of the impoverished population in Aceh was made up of women, children and adolescents. For them, market liberalization and the reduction of public services have had devastating effects. The lives of these women, youth and children have been complicated by deterioration in consumption levels and a lack of response to their particular needs. The inordinate increase in unemployment represents a breakdown in the entire system of social relations, graphically expressed through family crises and an increase in violence. As a whole, this situation reduces the opportunities to promote citizenship and encourages such things as emigration, social violence, drug trafficking, etc. One fundamental requirement for the construction of a development model with gender and generational equality is the design of a Population Policy that recognizes the rights of women and adolescents to control their own reproductive processes and that identifies adult and adolescent women as active agents in the transformation and development processes, rather than as victims of the system whose condition must always be mitigated (ISEI, 2005).

Pre-Tsunami Issues

Aceh, located in the northern most tip province of Sumatera has a population of 4.3 million (Pemprov NAD, 2004). The best known province of having abundance of natural resources such as liquefied natural gas (LNG), oil, forest farming, as well as living marine resources – Aceh, at the northern end of Sumatera, is a lush country of farmers and fishermen. Until the 1970s, cocoa, rubber, and coffee plantation dominated the economy, along with rice and tobacco, and timber products like paper pulp and palm-oil. Therefore, every university in the province has been asked to focus on agricultural, technical, religion-related science and economic education. The province of Aceh has a huge geographic size of 182,828 square miles and it includes more than 100 small islands along its western coast. The historic capital city is Banda Aceh.

The people of this resource-rich Indonesian province of Aceh endured decades of repression under the Dutch occupation before Indonesia became an independent country.

Unfortunately for the Acehnese, the new rulers have offered little respect from military and Aceh's people perceive symbols of military as a regime of terror. Indonesia, which was a close friend or even greater, as a brother of Aceh, in struggling against colonial rulers has become a gigantic power unreachable by the hand of the Acehnese. In Indonesia's northern Aceh province, pressure is mounting for a vote for independence. This perception has a tough root in the

past time glory of Aceh historically. In the era of reformation, the welfare of the Acehnese is at its lowest point. Even the allocation of monetary fund averaging up to Indonesia Rupiah (IDR) 6 trillion per year. The huge fund does not contribute to even a trace of development. The BAPPENAS annual report 2003 (BAPPENAS, 2004) cites that 38.84% poor citizens live in this area. Ironically, one of the poverty enclave is located in Lhokseumawe, the town with the biggest field of LNG in the world, run by P.T. Arun (Ahmad Arief, 2004),

According to Al Hilal Hamdi (2005), there are a few events that have occurred prior to the tsunami in Aceh. Firstly, the population comprising of "poor" people has rose to 29.8% in 2002, which is the highest in Sumatera. Secondly, 260 hectares of coconut plantation for export product was left by the farmer as impact of conflict between Indonesian Army (TNI) and Gerakan Aceh Merdeka (GAM) – the Aceh Independence Movement. Thirdly, the industry sectors did not improve but it was at its worst. In fact, the biggest handicap in the process of reconstruction of the Acehnese is the corrupted government. In the midst of poverty, war terror and endless conflict, corruption was also at its highest. The United of Monitoring Team, a union of NGOs who are concerned about Aceh after Suharto's regime reported that in Nanggroe Aceh Darussalam (NAD) province they indicated 68 projects which have corrupted about IDR 2.7 trillion. Even Aceh's Governor, Abdullah Puteh, was trapped in corruption cases, such as in the deal of MI-2 helicopter procurement.

Political and Economy Context

Even though many proposals exist and have been accepted and adopted by the international community through agreements, declarations or treaties, the gaps are constantly widening between declarations and the characteristics of the socioeconomic models into which our countries are inserted. Especially since the implementation of the neo-liberal model, increased pauperization, environmental destruction and the marginalization of women, children and ethnic groups, among other effects, have been recognized as the primary factors negating the possibility of attaining not only sustainable levels of development, but the satisfaction even of basic needs for a large majority of the population. It has also often been stated that unequal trade relations between "developed" and "underdeveloped" countries are a significant cause of this problem (Booklet, 2002.)

In this context and parallel to the promotion of the discourse on Human Rights in which the so-called "Right to Development" is located in Aceh, especially since 1990, different agents of International Cooperation for Development have done their utmost to make more palatable the devastating effects of an economic model, promoted by the multilateral agencies, to which they themselves belong, without real investment for development. Thus, their declarations become mere

rhetoric, ignoring even the boomerang effects that the socio-cultural, economic and political problems may have upon their own protected environments. An idea has surfaced that the earthquake-driven tsunami should not be seen as a disaster, but as an opportunity to define a Development Plan with which to enter the next millennium. We certainly approve of this perspective, but we also affirm that such an opportunity cannot be feasible unless the international community also views the earthquake and tsunami's effects as an opportunity to reconsider its own role in the future. We propose to the international community that Aceh, be considered a special case for the construction of integral and peaceful development alternatives that prioritize people and provide opportunities for international organizations to demonstrate their commitment to the discourse regarding the development of poor countries. In this context, it is essential that the cooperation model be focused towards decentralized cooperation that promotes to the greatest extent possible the capacities for local spaces and the participation of civil society.

In general terms, the main economic problems faced by Aceh at present, as a consequence of the earthquake and tsunami, are significant losses in agricultural production, an increase in prices to consumers, temporary unemployment in rural areas; shortages in the supply of basic grains, mainly rice and beans, the reduction in exports and the widening of the trade deficit on the balance of payments, the temporary reduction of income derived from taxes coupled with increased public spending, which will lead to a decrease in savings and a larger deficit; the insufficiency of external resources, which puts compliance with financial obligations regarding the foreign debt at risk; and the need to engage more foreign loans on highly concessionary terms, as well as donations with which to face the tasks of reconstruction.

At the time of the survey of BRR (March, 2005), half of those interviewed stated that none of the members of their families have a "stable" economic income. Of every three families that were displaced by the earthquake and tsunami, two intend to remain where they presently live. Regarding losses, 46% mentioned the most serious loss as food, followed by home (23%), household goods (4%) and clothing (3%). Among the losses in the communities that affected women most severely are sources of employment, domestic animals and poultry, household goods and homes. Of every ten families that suffered losses, seven received some form of aid, while three did not. Of the aid they received, the most useful to the communities at the outset were food, evacuation efforts and medicine. Regarding aid received at later stages, food was again considered to be the most useful. Among things that went lacking were food, clothing, health services or medical attention, and 4% reported that they received nothing at all (Al Hilal Hamdi, 2005).

Among local leaders interviewed, many pointed out that the greatest transparency and efficiency was achieved in the case of aid channeled through NGOs. Of those who were of the opinion that the distribution of aid was not fair, most mentioned that there was bias in the distribution process. It was also mentioned that the aid was "manipulated" or that it "privileged" certain entities or organizations. In one out of every five families, someone was left deeply affected emotionally by the earthquake and tsunami. This took on greater dimensions among those ranging from 20 to 40 years of age, and in particular among women in that age group. Of those interviewed, 18% said that they need immediate emotional attention.

The three most urgent needs mentioned by persons interviewed in their homes, regardless of gender, were food, housing and work. Among priorities for the reconstruction and development of the community most frequently mentioned were the construction and repair of homes (47%), followed by financing for agricultural production (37%). Next were agricultural inputs (14%), sources of employment (14%) and water supply (12%). Among other needs expressed were, in descending order, the following: access roads, relocation, construction material, electricity, health centers, latrines, land for production purposes, food, road and sidewalk repair, channeling of gullies, self-help construction of homes projects, contention walls, drainage of rivers and orchard irrigation projects (ADB, 2005). The viability of the Plan for Reconstruction and Development depends to a large degree on the conditions and will of the different entities to arrive at agreements at all levels: national, municipal, civil society and the international community. The implementation of the proposal, with the participation of all the different actors of Aceh's economic and social life, and in which local governments regain their protagonist role in the tasks of reconstruction and development, requires for its ultimate strengthening the agreements and conditions. At the national level, the clear political will to construct and implement a national development plan, based on consensus, as the ideal method for the democratic, economic, ecological and cultural transformation of Aceh. Respect for municipal autonomy as established by law and the promotion of relations of coordination, support and collaboration among the different levels of the state.

Respect by the executive branch for the autonomy of the other branches of state. Open the process of governmental decision-making regarding reconstruction to the broadest and most diverse participation on the part of organized civil society, from the pre decision-making phase to the phases of implementation and evaluation, including the openings necessary for social control by the different organizations. Integrate the BRR working units into the recently formed National Council of Economic and Social Planning. The National Assembly should approve as quickly as possible the Law of Budget Transfers to the municipalities of Aceh, which is equivalent to a minimum of 6% of the ordinary tax revenues,

according to the constitutional mandate to transfer financial resources to the municipalities, under distribution criteria that take into account the poorest municipalities.

Draft legislation that regulates the municipal environment: a new codification of the Law of Municipalities, the General Municipal Tax Laws, Law of Municipal Budgets, Civil Service Law and Municipal Administration, General Law of Citizen Participation, Law of Decentralization of the state, as well as making compatible the different laws affecting municipal life. That the legislative representatives establish municipal meetings with people and organizations in order to develop concrete proposals regarding initiatives for laws that would benefit the population. That the National Assembly publish in all the media an annual calendar of legislation to be discussed, as well as a monthly report of its activities. That the National Assembly's Commission for Communication and Publicity carry out information and awareness campaigns regarding citizen rights and responsibilities. Open up spaces in the National Assembly where civil society can propose laws or make suggestions to change legislation, without these initiatives needing party sponsorship. These would include the Law of Human Settlements, the Minimum Wage Law, the National Population Policy legislation, the codification of the Children's and Adolescent's Code, the Civil Service Law and others.

That the National Assembly's (MPR) working commissions incorporate civil society organizations as a means of direct participation in the formulation of laws and the codification of those laws. Facilitate the effective strengthening of administrative capacity and planning on the part of the Aceh's municipalities, including those related to zoning and land use within the framework of National Development Plan Agency (BAPPENAS). These measures will make it possible to increase and generalize the existing experiences of local participatory planning and guarantee the coordinated presence of local priorities in the National Plan of Reconstruction and Transformation for Development. Support training for municipalities and civil society so that they are able to assume the tasks of reconstruction and development, along with the dissemination of a preventive culture among both institutions and citizens. Train and educate civil society and municipal authorities without bias regarding mechanisms to assure the transparent administration of funds and resources and assure that they are well administered. Articulate the efforts of international agencies and organizations around national and municipal agendas, towards a National Strategic Plan as well as municipal and regional plans, with the aim of increasing resources for development. Invest in political-institutional reconstruction as a guarantee of equity, efficiency and sustainability.

Empower civil society so as to ensure the ongoing process of national reconstruction and transformation. Prepare regional development agendas that include the will of the Aceh's different sectors and territories. That the government ensure the creation of mechanisms for participation on the part of civil society and its organizations for the design and implementation of a National Plan of Reconstruction, including oversight and transparency in the administration of resources, follow-up and periodic evaluation. Create working commissions with the Supreme Court of Justice for the drafting of legislation that allows organized citizens to have a greater impact on public administration and facilitates the legal means necessary to introduce laws. To establish working commissions with the central government (executive branch) by specialized area that would involve all expressions of civil society, with the objective of discussing national policies that contribute to development. Along these lines, those ministries and autonomous entities most related to socioeconomic development should establish in conjunction with civil society discussion processes regarding the implementation of national measures and policies. These discussion processes could be effected through national and departmental meetings (ISEI, 2005).

International cooperation actively contributes towards direct communication between local NGOs and their counterparts, so that civil society organizations are being recognized as legitimate actors in the processes of formulation and implementation of social and economic development policies, and also in terms of access to financial and non-financial resources that make it possible to comply with their development activities. At local level, agreements to promote a rational utilization of natural resources and the environment; control over the exploitation of natural resources; preparation of a territorial plan for the use and control of natural resources, and others.

Macro-Economic Issues

For quite some time now, civil society in Aceh has been proposing mechanisms for the substantial reduction of the foreign debt for Indonesia and lobbying for the funds pledged by the international community to support this reduction, to be invested into national priorities of human development.

The challenges represented by the tasks of reconstruction and development based on new foundations make even more pressing the need to find a serious solution to the disproportionate weight that debt service payments represent for our Aceh. This is indispensable in order to grant Aceh the capacity to dedicate its efforts towards reconstruction and the push for socially equitable development that is also environmentally sustainable, under conditions that debt service payments are reduced to levels that do not represent a real impediment to meeting these goals.

To reduce debt service payments to sustainable levels, a clear correlation should be established among levels of "sustainability" that the World Bank and the International Monetary Fund (IMF) have defined and vital indicators for the reconstruction and development of Aceh on new foundations. These should include increased public investment in education and health care, linked to a comprehensive strategy of reconstruction and development, public investment programs linked to the strategy, housing and infrastructure programs, potable water and sanitary services, environmental zoning and human settlements, development of the capacity for the assimilation and adoption of knowledge and technology amongst others.

Besides that, the forgiveness of the official debt contracted in commercial conditions with the Club of Paris countries, in exceptional cases such as Aceh, also is 100%, and the level of sustainability of the debt service payments is 5% of exports, for countries with characteristics like Aceh. These characteristics include a per capita income less than US\$600, high indices of poverty, infant malnutrition and enormous needs for investment of both human and material capital in order to lay the minimal foundations for their development. The developed countries should concern themselves, not only with contributing rescue packages worth tens of millions of dollars to economies wracked by serious financial problems, but also with rescuing (with a far smaller amount of resources) those poor countries who must deal with, along with serious social and natural disasters, unsustainable debt service payments.

Aceh should declare that it does not meet the conditions necessary to make debt service payments, at least for the coming three years. The international community, for its part, should declare a moratorium for at least three years on debt service payments, as these resources are needed for other priorities. Among other activities, a suggestion that a national program be designed and implemented, against 12.5% of the gross domestic product (GDP) of primary public savings, for the immediate reinsertion of the thousands of earthquake and tsunami victims who lost everything should be made. This implies programs that would relocate families away from high-risk zones and the corresponding programs of housing, land and basic services. A significant part of the funds freed up by non-debt payment should be earmarked for human development investments as spelled out in a National Reconstruction Program agreed to by consensus among governmental institutions, civil society and the international community and, principally, programs of social and productive infrastructure, aimed at rural development and the economic, social, technical and financial reviving of family agriculture. Also included would be social programs that ensure children and young people will not continue to be the shock absorbers of these structural adjustments. The international community should provide sufficient funds for an immediate reduction in the actual balance of the foreign

debt and fresh funds fundamentally in terms of donations or highly concessional credits.

It is necessary for BAPPENAS to define a policy of acquiring new debt that is in line with the real possibilities of Aceh to meet its commitments in the future. We feel it is indispensable for this council to include the participation not only of state sectors, but also of business groups, social movements and specialized entities from civil society. Until now, the possible incorporation of Aceh into the HIPC (Heavily Indebted Poor Countries are a group of 37 least developed countries with the highest levels of poverty and debt overhang, which are eligible for special assistance from the IMF and the World Bank) initiative has depended to a large extent on compliance with the structural adjustment agreements made with the IMF. Due to the situation faced by Aceh after the earthquake-driven tsunami and in light of the need to carry out tasks of reconstruction and development, a new equilibrium in terms of adjustment efforts is necessary. On the one hand, a development strategy and the corresponding economic and social policies should be defined through a collective democratic process. Through a national dialogue, these policies should be reexamined in light of the concerns of diverse national sectors. It is indispensable to reestablish at a more adequate level the financial, technical and institutional capacities so that the public sector is in a condition to assume new and broad responsibilities that the new strategic development approach requires (ADB, 2005).

With the generation of a primary public savings rate of 13% of the GDP, the public sector has contributed more than its part towards the adjustment efforts. Now it falls to the private sector to assume its responsibility in terms of internal savings, by reducing its excessive level of imported consumption. Without an adequate level of savings and investment on the part of the private sector, the long-term projections of economic growth are not “sustainable”, even in strictly economic terms.

TRANSFORMATION MODEL

The structuring of a national coordinating body of civil society which brings together more than 300 organizations and which covers virtually the entire Aceh, requires parallel and homogenous funding sources – essentially, international cooperation – for its ongoing function, both in times of emergency as well as in the reconstruction and transformation of Aceh. From the point of view of the form in which cooperation should be channeled, we identify with decentralized forms of cooperation that make it possible for resources to be channeled preferably through municipal governments or through organizations that work directly with beneficiary groups. We propose the creation of a National Fund for

Reconstruction, with three desks: one directed towards public investment projects, another aimed at strengthening local governments and one for the initiatives of civil society organizations involved in the process. This special fund could be managed by a council comprising of representatives of the involved sectors (Ministry of Foreign Affairs, BAPPENAS and representatives of the Acehese Local NGOs Forum and other social movements). Each entity will submit to this council, for approval and eventual disbursement, requests and projects that should be conceptualized within the framework of the previously established priorities and objectives. The fund will be managed in accordance with commonly established accounting procedures and with mechanisms of control as established by the council.

It is important that the multilateral organizations will modify the conditions and rules established to gain access to financial resources. Include human development indicators and others linked to the public administration of resources (transparency, promotion of citizen participation, etc.) in their search for social equity and sustainable development. Mechanisms should be established to allow for specific proportions of international cooperation funds to be utilized in facilitating the human development of women, children and young people.

It is necessary for the international community to reorient its resources earmarked for debt service payments to improve the situation of poverty suffered by the rural sector, particularly small farmers, who lack the most basic resources and services. To the degree that these resources are so directed, it will be an effective contribution in improving the quality of life in this sector. We feel it is fundamental to establish a strong alliance with the international community as a means for ensuring foreign cooperation is implemented in a transparent form and with the supervision of representatives from civil society.

By the same token, it is necessary to develop an adequate policy of information so that the national community is kept abreast of the amounts, time periods, forms of implementation and expected impacts of the international cooperation. Influence over these factors is of vital importance in order to be able to make advances in a development proposal that seeks true sustainable social, economic, political and environmental development for the Acehese.

Transformation Model to Make Reconstruction Viable

Structural inequalities lead to social exclusion and regional marginalization, generate a range of environmental problems and constitute a barrier in achieving equal opportunity and access to the benefits brought by development. Maintaining the present model of development will only increase vulnerability and the concentration of opportunities and benefits among a minority of sectors.

We desire a reconstruction that permits us to overcome exclusion and marginality, making more appropriate use of our natural resources within a framework of sustainability.

Reconstruction in the aftermath of the earthquake and tsunami offers all Acehese an extraordinary space to create necessary conditions to overcome the situation of social and environmental vulnerability in which they have been immersed for decades. However, perception of the governmental vision of reconstruction is that it demonstrates a basic tendency towards rebuilding physical environment of the region; roads, bridges, services infrastructure, with no effort to transform the social, economic and institutional situation. We also perceive a strong inclination towards a new phase of feverish "projectisms", unsupported by planning at the national level and the duly institutionalized policies that are needed to increase material capabilities and provide a more stable horizon for development.

The true sense and profound logic of linking reconstruction with development is to convert the catastrophe into an opportunity, to mobilize the region behind a national vision that breaks with the inertia of the accumulated deficiencies and fragmentation of recent years. Any vision of reconstruction and development must also include plans for the mitigation or prevention of the effects of future natural disasters. While physical measures are important in this context, the reduction of social and environmental vulnerability is indispensable. Human vulnerability is a result of unequal power relations, manifested in inequalities in opportunities, access to and control over resources. The high levels of vulnerability that exist in Aceh are, in part, a product of the vision of development held by successive governments over the past years, a vision we seek to transform. It is obvious that the moment calls for a high level of organizational capacity that permits the maximum use possible of human and technical/material resources that already exist and those that may become available in the future. This capacity must translate into a National Reconstruction Plan based upon consensus among government structures, organized civil society, the business sector, small and medium entrepreneurs, and the international cooperation community. Such a plan must define priorities, roles, commitments and mechanisms for the participation of each one of these social actors.

Transforming the Approach to Development

We consider people to be the center and the principal protagonists of development and thus men and women must be the focus of all policies, programs and projects, governmental or non-governmental. Carrying this out requires a cultural transformation, as much in both individual people's minds and

behaviors, as well as on a broader social and institutional level. We adhere to the definition of sustainable development, put forward by the Central American Alliance for sustainable development.

Any process of transformation and reconstruction must be articulated within a vision of development with fundamental objectives such as; to construct solid foundations for sustainable human development. This entails the transformation of unequal power relations at all levels, indispensable for overcoming the social and economic vulnerability of the population, the sustainable management of natural resources and a high degree of citizen participation in the decisions that affect their lives; reduce the difference in levels of access to, and control over resources, which are a product of differences in class, gender, age, ethnicity and physical and mental abilities; increase and ensure, to the greatest possible extent, respect for citizens' rights and the equal access of all Acehnese – in equal conditions – to development and market opportunities, thus allowing for a substantial improvement in their living and working conditions; achieve at a national level the full and integral incorporation of the marginalized regions, predominantly rural, and peoples in the process of development; strengthen the coordination between the Pacific and the Central-Northern areas of Aceh with special autonomous province, fully recognizing both their potentials and the uniqueness and complexity of each situation; transform urban management, focusing efforts on the elimination of the pockets of marginality and extreme poverty that exist in the cities; ensure the sustainability of investments. The basic instrument for this is the environmental organization of the territory, applied in such a way as to reduce soil vulnerability and modify agricultural patterns and inadequate land use. This should contribute to stable growth and an optimization of resources, thereby facilitating the creation of sustainable sources of employment; strengthen and expand democratic spaces and good governance promoting a culture of citizen participation and control; increase efficiency in the social management of development and provide maximum transparency in the use of public resources; develop and consolidate values that strengthen the bonds of solidarity, reciprocal cooperation and social cohesion ensuring a deep and long lasting sustainability for the reconstruction for development efforts.

Decentralization of Public Administration and Local Development

The model of integrated development requires the effective decentralization of power and resources from the central government to local governments and communities. These organizations should assume the planning and implementation of the development of their locality in a joint and participatory manner. This implies investing in people, both at the level of the municipal government, as well as civil society, with the aim of promoting a culture of participation and

citizen control. This is essential for the preparation of local programs by communities in accordance with their needs.

The establishment of decentralized development aid from the international community to municipal governments and those organizations that work directly with groups of beneficiaries is fundamental. The intention is to minimize bureaucratic obstacles while encouraging a greater degree of citizen participation in the definition, monitoring and evaluation of policies, programs and projects.

SUSTAINABLE DEVELOPMENT OF DISASTER AREA

Regional planning of the territory is the key instrument for the sustainable development proposed, as it establishes how best to productively use the land and the optimal use of natural resources in the long term. In the case of Aceh, the national territory is divided into three macro-regions based upon, their climactic and morphological conditions and potential land use. These macro-regions are the West, Central and East areas of the region. They differ in their aptitudes and restrictions, which define the type of use to which they should be put without threatening their long term productive capacity.

In order to achieve the above aims, first of all, it will be necessary to review and establish objectives and policies for national development, linked to agricultural and forestry development and within the framework of social, economic, ecological, cultural and political sustainability.

The redefinition of national development objectives includes placing emphasis on the development of the rural sector and of the family's population. This sector is the main motor of national reconstruction, principally regarding the development of the forestry sector in the Aceh macro region and agro-forestry and silvopastoral development in the central macro-region in a manner that will guide the public and private investment process, starting with a broad program for the re-composition and strengthening of the family's economy and encouraging agro-exports and agro-industrial development in the West macro-region. Management and administration plans and programs for protected areas as well as initiatives leading to the conservation of natural resources, should be incorporated as an integral part of the policies and mechanisms. The additional use of comparative advantages derived from this, and the financial opportunities surrounding these resources, such as joint implementation programs, green bonds, etc. must also be taken into account.

Policies must be defined that are geared at changing land use, based on the agro-ecological vocation of the territory. They must be accompanied by corresponding

support policies for producers, both financial and fiscal. It is necessary to develop a broad restructuring program of territorial occupancy patterns, based on the transformation of the land tenure structure in order to reverse the occupation of slopes and fragile areas. This is intended to improve the use of natural resources and the territory's capacities. Changes in the legal and institutional framework must be promoted so as to accompany, make viable and strengthen the above-mentioned aspects. Above all, the proposals and strategies put forth must be institutionalized.

Urban Planning

Another essential planning theme is its application in urban areas, particularly in the region's largest cities, which historically have been the recipients of rural to urban migration without having the conditions to absorb these flows. As a result of the earthquake and tsunami's impact upon the family population this phenomenon has increased in intensity, furthering the process of social disintegration.

The cities should be redesigned using an approach that favors democratic development, the reconstruction of degraded spaces, restructuring and environmental supervision, the struggle against social exclusion, the full participation of women and young people, and the development of communal economies. This model is a plan of work, around which it is possible to design and execute urban sustainable development projects, coordinating the different social and productive sectors.

Considering that production is in a critical situation as a result of the catastrophe and the accumulated impact of agrarian policies, major investment is required to repair the lost infrastructure, capitalize the sector and increase productive capacity, while updating technology.

It is necessary to take the immediate actions derived from the Emergency and Reconstruction compatible with an approach that stresses Sustainable Development. In this regard, it is essential to design programs with local, mixed and women's organizations that generate sustainable development activities in the areas of soil and water conservation, alternative fertilization methods, weed and pest management and support for family vegetable gardens (*patios*). Along parallel lines, once the most adequate soil use and the relocation of families that should move from their plots and/or communities has been defined, it becomes necessary to promote rational soil use in technical, educational and financial terms. Similarly, it is necessary to promote plot diversification and the integration of agriculture, cattle ranching, forestry, crop diversification, sustainable agricultural techniques, and family vegetable gardens (ADB, 2005).

Development of a project to recover an area of 20,133 *pek blang* (1 *pek blang* = 0.7 hectares paddy field) in the zones directly affected by the earthquake and tsunami through soil and water conservation works; the reforestation of 1,970.25 *pek blang*; the establishment of 335 diversified farms on which a total of 335 *pek blang* would be worked using animal traction technology. This would contribute to recovery of areas affected by the earthquake and tsunami, incorporation of areas not affected in which no type of protective and/or conservation work was underway regarding soil and water, and improve ancestral practices of low production crop growing. The promotion of adapted technologies, organic agriculture and animal traction will be at the core of this component. Reforestation, both in compact areas and in agro-forestry schemes, will allow a direct influence on the protection and conservation of existing sources of water in areas affected by the earthquake and tsunami (Bakornas-PBPP, 2005).

Diversification of products produced by family units can be encouraged by seeking the advice of experienced producers. The establishment of a group of innovative producers can also help to strengthen the production of family units. This will facilitate the transfer of technology and crop diversification. However, government support is required to provide financial resources to the established local organizations and family units for them to embark in such businesses.

Reconstruction to Generate Public Health

The process of generating health care must be backed by community participation, organized into different governmental and non-governmental entities. The main focus of action should be of a preventive nature, with the main effort concentrated on training actions for health promoters in the communities.

It is important that there be access to safe drinking water sources for human consumption. Organize attention to health-related matters based on the concept of municipalizing health services, eliminating the policies of charging the population for services and allocating a decentralized budget at the municipal level, taking into account the main health problems present in each municipality and the particularities of each population group.

Clearly establish in health sector plans that coordination among state organizations, the municipalities, NGOs, private enterprise, trade associations, etc. is indispensable in order to jointly participate in the process of rebuilding the capacity to generate health for the affected population and in general for the population at large. Define, together with state institutions, NGOs and other actors of civil society, nutritional strategies for the most vulnerable sectors in the municipalities. This should involve the use of alternatives that prove sustainable

in the medium and long term, avoiding paternalism and allowing for the recovery of the productive capacity of the agricultural communities, while assisting in the evaluation and monitoring of the nutritional status of the population.

Development of integral health projects for the social, psychological and productive rehabilitation of the population must involve the participation of volunteers and communal partners. The projects must take into account the characteristics of the different population groups, and include reproductive health and the needs of women, youth and the elderly. Expected results are an improved capacity to respond on the part of the communities and their inhabitants' *vis-à-vis* the possibility of future natural disasters. Identify the particular characteristics of each community affected directly or indirectly by the earthquake and tsunami, so as to develop specific plans whose aim is to modify the environmental health situation in each until the level of "healthy community" is reached. Civil society and the institutions represented in each community must become involved, as allowing the development of a culture of protection and recovery of healthy environments, which should be the main strategy for the recovery of the capacity to generate health in the communities and mitigate the effects of a future natural disaster resulting from the deterioration of human habitats.

A Health Program is to be developed based on principles common to regional health models, which is to say, integral health attention, social participation, reciprocity of actions and equity in providing attention. Such a program should concentrate on the following: training and education; improvement of the population's hygienic and environmental conditions; preventive health; attention to the health needs of women, children, adolescents and young people; recovery and promotion of traditional medicine; stability in the work place; and the establishment of an epidemiological network.

The Housing Sector

The damaged caused by tsunami disaster in social sector, including housing sector was estimated at 13,657 units (Pemprov NAD, 2004). The government declares the social production of housing and human settlements a national priority for a period of five years, with possibilities for extension. This must be a non-profit enterprise and include the participation of users during all the production phases. The objective is to carry out two large programs in both urban and rural areas of Aceh. Families, who lost their homes, live in conditions of risk or lack homes entirely will be relocated to safe areas, including families headed by women, young families and the elderly.

Actions include urban improvements such as water supply systems, drainage for rain water and sewage, electricity, home improvement, communal equipment and

the settling of land tenure issues, these aspects being viewed in an integral manner. For purposes of implementing the aforementioned programs, the government should forcefully pursue the following activities:

- (a) Regarding land: Facilitate the process for the acquisition of land suitable for habitation without discrimination by gender or age, regulate the land market, implement legal and physical planning, coordinate human settlements with territorial planning and national development plans.
- (b) Regarding technology: Develop specialized productive units such as social organizations and private enterprise, specialized training and education for men, women and young people, applied research, transference processes and technological improvements.
- (c) Regarding social organization: Establish communal, local and national participatory processes, without discrimination by gender or age, coordinate between civil society, local government, central government, private enterprise, and social control of public administration, establish a National Consultative Committee with the participation of organized Civil society, constitute Local Housing and Human Settlement Committees, with the participation of organized civil society.
- (d) Regarding financing: Development of housing programs, focused and transparent subsidies, participation of social organizations, including community, women and youth groups in the Social Housing Fund, strengthening and expansion of productive capacities among social organizations, fiscal and financial incentives.
- (e) Regarding the legal and institutional framework: Approve the Housing Law, pass a law concerning popular participation in local and sectoral management of human settlements, develop normative and operative instruments for substantive public programs that support the development of this plan, coordinate with other sectoral plans such as construction, the building materials industry, generation of employment, health, education and others.

A Housing Program should also be promoted in the autonomous regions. This should include: the application of self-help systems, and will include a training component. The use of low-cost, easily accessible local materials are envisaged which will take into account the particularities of autochthonous architecture.

Reconstruction and Local Development Plan

Preparation of a Plan for Local Reconstruction and Development should be drawn up, and should include the following characteristics:

1. **Participatory:** It should take into account opinions and interests of the different municipal actors with the goal of prioritizing activities and problems and together constructing the desired image of the municipality.
2. **Strategic:** That the short, medium and long term orientations should be reviewed on an ongoing basis, based both on factors internal to the municipality as well as the external dynamic.
3. **Coordinated:** That makes the best use of different resources and skills available in municipal spaces, in the support of development projects and for the well-being of the residents and that it effectively express the municipality's potential so that it is coherent with the desired objectives.

Basic stages of the process of preparing the plan consist of assessment, with preparation and implementation based on a system of municipal indicators; identification of the municipality's development potential; identification of target groups; definition of strategic objectives or project lines; definition of development programs and identification and prioritization of strategic projects for municipal development.

The National Fund for Local Reconstruction and Development (APBD) will be constituted in the following manner: 6% of the National Budget (historic transfers to the municipalities in 1996 were approximately 5% of the national budget, along with a percentage to compensate for the effects of the reduction of municipal income due to the application of the Law of Tributary Justice, plus a percentage of funds freed up from non-payment of the debt), as a counterpart to the Central Government. 15% of the costs of Municipal Budgets will be earmarked for administration. Allocation of the funds will contribute to creating equilibrium between socioeconomic development in the poorest municipalities and those disadvantaged by the tax system, and national and municipal spending.

CONCLUSION

The earthquake-driven tsunami occurred as the climax to a long story of impoverishment and deterioration of natural resources and of the quality of life and living conditions of the population. The devastating effects of the

earthquake-driven tsunami in Aceh are intimately related to the consequences of the historical development model and the prevailing neo-liberal economic model. The reconstruction development project cannot exclusively seek to insert the national economy into the international market, with a strong bias towards the development and consolidation of the commercial export activities favored by globalization and the infrastructural modernization necessary for such activities. It must not ignore the possibility of forming and developing an internal market that would make viable in human terms the transformation. BRR proposes to the international community that Aceh, be considered a special case for the construction of integral and peaceful development alternatives that prioritize people and provide opportunities for international organizations to demonstrate their commitment to the discourse regarding the development of poor countries. In this context, it is essential that the cooperation model be focused towards decentralized cooperation that promotes to the greatest extent possible the capacities for local spaces and the participation of civil society.

In general terms, the main economic problems faced by Aceh at present, as a consequence of the earthquake and tsunami, are significant losses in agricultural production; an increase in prices to consumers; temporary unemployment in rural areas; shortages in the supply of basic grains, mainly rice and beans; the reduction in exports and the widening of the trade deficit on the balance of payments; the temporary reduction of income derived from taxes coupled with increased public spending, which will lead to a decrease in savings and a larger deficit; the insufficiency of external resources, which puts compliance with financial obligations regarding the foreign debt at risk; and the need to engage more foreign loans on highly concessionary terms, as well as donations with which to face the tasks of reconstruction.

The viability of the Plan for Reconstruction and Development depends to a large degree on the conditions and will of the different entities to arrive at agreements at all levels: national, municipal, civil society and the international community. The implementation of the proposal, with the participation of all the different actors in the Aceh's economic and social life, and in which local governments regain their protagonist role in the tasks of reconstruction and development, requires for its ultimate strengthening the agreements and conditions. At the national level, the clear political will to construct and implement a national development plan, based on consensus, as the ideal method for the democratic, economic, ecological and cultural transformation of Aceh. The crisis caused by the earthquake and tsunami demonstrated that the centralist model developed by the state is exhausted in terms of providing effective responses to the citizen's problems. To that effect what is needed are coordinated actions and cooperation between the different levels of the state and between the state and organizations

from civil society, as well as overcoming the exclusion that divides the various sectors in the region for political, religious or other reasons.

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