

THE ENTREPRENEURS' SUSTAINABLE NETWORK APPROACH: A WAY TO IMPROVE THE MULTI ETHNIC BUSINESS AND SOCIAL RELATIONSHIPS IN THE POST CONFLICT CONTEXT

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INTRODUCTION

The Sri Lanka has experienced the civil war since last three decades. This has seriously affected the region called North and East part of the Sri Lanka. But the war is over now. People are so happy about the present peace situation, but the people mentality not yet changed that much. Therefore the present government and other nongovernmental organizations have been taken several activities in this region to change the mindset and living standard of the people. Based on the experience from country like Nepal and the evidence from existing literatures that the application of the principles and practices by entrepreneurs working in the post conflict areas can contribute to better conflict transformation and peace building among the multi ethnic communities in this region. Peace building could be facilitated by formation of good business relations and social bonds between those entrepreneurs in the conflict affected area. It can be effectively used in the South-East region of Sri Lanka, where entrepreneurs of three communities, Muslim, Tamil and Sinhala, are operating their businesses. At present the business community in South-East part of Sri Lanka is very much divided and isolated based on ethnicity and location.

This paper investigates how the multi ethnic communities can develop their business and social relationships through Entrepreneurs' Sustainable Network Approach (ESNA) in the post conflict areas. This development can lead to the conflict transformation and peace among the people in this region. Because of the two reasons, this study focused on South-East part of Sri Lanka. Since this region was ethnically, religiously and linguistically mixed is the first reason. The second reason was the business and social relationships among the communities were completely destroyed during the past conflict time period. Therefore, it provides ideal model and opportunity to investigate the successful application of the ESNA.

In order to obtain seminal information about the past and present status of enterprises in South Eastern region, the proposition framed for this research was as follows. *“Entrepreneurs working in ethnically isolated communities have little empathy for other communities and lack efforts on conflict transformation and peace building. When entrepreneurs are exposed to the ESNA where they exchange ideas, experiences and learn from each other, they develop not only business linkages abut also social relationship that can lead to increase the income as well as contributing to conflict transformation and peace building in a sustainable manner”*.

LITERATURE REVIEW

According to Simon Fisher (2000) the conflict transformation can be defined as the process of addressing the wider social and political sources of a conflict and seeks to transform the negative energy of war into positive social and political change. Existing literature has suggested that the entrepreneurs can play an important role in conflict transformation. Conflict is a phenomenon associated with coexistence in all societies. To some extent conflicts are an inevitable, indeed a necessary corollary of social change, as they expose tensions and incompatibilities between different, mutually interdependent parties with regard to their respective needs, interests and values (Grossmann, 2009). In various countries domestic entrepreneurs have supported to conflict transformation and peace building process. For instance, entrepreneurs have been members of peace negotiation teams, have advised such teams or have given them administrative and logistical support; they have helped to build trust between former conflict parties and mobilized popular support for peace. Business has the strong networking and outreach capacities required to strengthen relationships among the different ethnic communities.

International Alert (2006), also emphasized the roles that the domestic business entrepreneurs can play in conflict transformation and peace building. This report assembles evidence from numerous case studies to demonstrate that local businesses can contribute to conflict transformation and peace building. It argues that the international community should embrace the potential of this 'peace entrepreneurship' to provide necessary resources and skills for the promotion of sustainable peace. Rettberg (2004) looks at different business initiatives in Columbia that have led to peace building and mitigating the effects of conflict. He asks what motivated them to become involved in business led peace building with a view to understanding the wider prospects for business to become a partner in conflict transformation and peace building.

METHODS

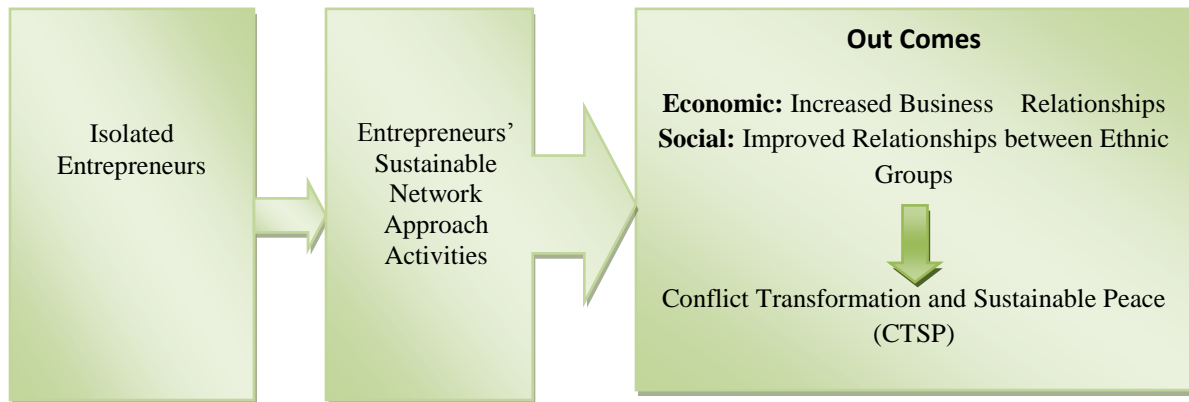
This study was conducted in South Eastern region of Sri Lanka. Ninety entrepreneurs were selected for the sample from a list provided by Nucleus Foundation which funded for this ESNA activities. This sample representing, different business sectors such as printers, weavers, preschool teachers, carpenters, traders, and service station owners. Majority of them were male entrepreneurs. The primary data were collected from the sample given by the Nucleus Foundation using an observation, focused group interviews, and case studies. The methodology adopted for this study is descriptive research approach for which the data gathered were qualitative rather than quantitative. The data were collected in two stages. Stage I was used to get the baseline information and Stage II was used to get the changes in post ESNA activities. Further the members of the general public, religious leaders and other government officers were interviewed to get the general ideas about their life in good old days.

Entrepreneurs' Sustainable Network Approach (ESNA)

The ESNA is based on the main tenant of sharing experiences and exchanging ideas. Groups come together, discuss their problems, priorities their issues, identify the most important issue, develop a solution and undertake activities to address this issues. The groups are guided and facilitated by a trained counselor. Once an activity has been conducted, the group meets again to

evaluate its success and to decide on their next undertaking. The activities could include: An exposure visit, training program, counseling session, experience sharing event, business development activity, and peace building exercise. These ESNA activities were designed to promote business as well as social interaction between the different ethnic group with a view to reducing the mistrust and isolation that exists between them as a result of the 30 years conflict in Sri Lanka. Activities were planned and implemented with the participation of entrepreneurs of all ethnic groups. The entrepreneurs working in sector specific groups, identified issues that affect their enterprises and undertook collective activities aimed at addressing these issues. These business development and social activities promoted economic and social relationships across ethnic divides. The following figure was used as a conceptual frame work for this study.

Figure 1 Sustainable Network Approach (ESNA)



RESULTS AND DISCUSSIONS

a) Characteristics of the Respondent Entrepreneurs

Table 1 shows the types of entrepreneurs and their ethnicity. More than 75% of the entrepreneurs who participated in this study were Muslims.

Table 1: Type of Entrepreneurs and their Ethnicity

| Sector | Sinhala | Tamil | Muslim | Total (%) |
|-----------------|------------|------------|------------|-------------|
| Printers | 02 | 02 | 11 | 15 (16.8%) |
| Weavers | 00 | 00 | 15 | 15 (16.7%) |
| Preschool | 00 | 03 | 07 | 10 (11.1%) |
| Carpenters | 00 | 04 | 20 | 24 (26.7%) |
| Traders | 05 | 01 | 06 | 12 (13.3%) |
| Service Station | 04 | 01 | 09 | 14 (15.6%) |
| Total (%) | 11 (12.2%) | 11 (12.2%) | 68 (75.6%) | 90 (100.0%) |

Table 2 presents the demographic and socio-economic information of the entrepreneurs. Most (92%) of the entrepreneurs who have responded were males. The highest average monthly turnover of Rs. 1,176,363 was reported by traders. Most of the weavers (80%) and carpenters (83%) have not registered their businesses and run them as informal enterprises.

Table 2: Demographic and Socio-Economic Characteristics

| Sector | Gender (%) | | Ave. Age (yrs) | Ave. Monthly Turnover (Rs.) | % of Registered Businesses |
|-----------------|------------|--------|----------------|-----------------------------|----------------------------|
| | Male | Female | | | |
| Printers | 100 | 0 | 42.6 | 113,000 | 86.7 |
| Weavers | 100 | 0 | 42.3 | 311,800 | 20.0 |
| Preschool | 20 | 80 | 35.9 | 23,355 | 100.0 |
| Carpenters | 100 | 0 | 28.9 | 43,500 | 16.7 |
| Traders | 100 | 0 | 38.9 | 1,176,363 | 75.0 |
| Service Station | 100 | 0 | 38.2 | 107,000 | 92.9 |

b) Key Findings of the Baseline Survey

The entrepreneurs in South Eastern region working in ethnically isolated communities have little empathy for other communities. A baseline survey was conducted to evaluate the business as well as social relationships that exist among the entrepreneurs of different ethnic groups. The following aspects were tested.

- Characteristics, demographic and socio-economic information
- Business relationships
- Diversity in social relationships
- Emotional integrity: Empathy and Trust

The baseline survey revealed that the entrepreneurs having close business relationships and links with their own ethnicity but not with other communities. This survey also indicates majority of the respondents have the habits of attending the cultural programme and social activities of their own ethnicity and they are not interested in participate such programmes of other communities. Only a small proportion of entrepreneurs have good social bonds with other ethnic communities. It was clear that the entrepreneurs do not have good social bonds with other ethnic communities in this region. The other important fact of the entrepreneurs of this region is that most of the entrepreneurs have negative attitudes, empathy and trust towards other communities.

Overall the study has observed that the business and social relationships of entrepreneurs are limited with their own ethnicity. The ethnic discrimination and negative perception towards other ethnicity has been deeply rooted among the entrepreneurs in this region.

c) Involvements' of Entrepreneurs' Sustainable Network Approach (ESNA)

Many activities have taken place to promote inter ethnic business and social relationships for two years time period. These activities include:

- Participation in business development activities
- Experience sharing and idea exchanging events
- Cross visits with entrepreneurs of other regions
- Participation in the social events

d) Out Comes of the ESNA Involvements

This study was conducted to determine the changes that had taken place as a result of the ESNA Involvements among the entrepreneurs in this region. Based on the results, the changes can be classified in to two major categories:

- Changes in the business relationships
- Changes in the social relationships

• Changes in the Business Relationships

The baseline survey revealed that there were limited or no business relationships and links between the different communities in this region. After the implementation of the ESNA activities several changes were observed in their interactions. It can be pointed out as follows:

Addressing Common Business Needs: During the baseline survey and interview sessions, it was highlighted that most of the entrepreneurs expressed the common needs. It includes lack of technology and skilled labor, restrictive rules and regulations, and competition from low quality products, etc. After implementing ESNA activities, now the entrepreneurs are working as a team (consists of all ethnicity) in their region to fulfill their common needs and problems in their business. The following incidents will be great evidence on this outcome.

Marithamuai is a place in South Eastern region, where the people face a lot of difficulties and inconveniences to park their vehicles. As a result, the businessmen and entrepreneurs had some problems in doing their business. But at the present, with the coordination of all entrepreneurs through the efforts of ESNA, it has been found a place for parking the vehicles which reduces numerous difficulties.

New Business opportunities through new Business Relationships: After implementing the ESNA activities, there are many new business linkages have been establish. It leads to the new business opportunities. The following case was reported by the entrepreneur.

With the participation in ESNA activities, Mr Azeel had a good introduction to Mr. Puthumsiri, who is owner of Lumbri store from Kadukasthoda. Mr. Puthumsiri very recently made a call to Mr.Azeel to have a deal of purchasing rice packs for Rs.1 million. Then soon, he made a deposit

of such money for purchasing in to the bank account of Mr. Azeel. Now Mr.Azeel refers this behavior of Mr. Puthumsiri with thankful mind as the reflection of confident and value of friendship that Mr.Puthumsiri has upon him. At this time, Mr. Azeel strongly believes that the confident and friendship were made up due to the activities of ESNA but nothing else had impacted on it. Further the business in between them continues still.

Opportunity to Access new Technology and Skills: The cross visits as a one of the ESNA activities have created more opportunities to access the new technologies and skills to the entrepreneurs. The carpenters group visited Moratuwa to get more new knowledge and skills that can significantly improve the quality of their products. The relationships with the Moratuwa service provider also continue to date. This activity not only their knowledge and skills but also increased the quality of their products. This outcome will help to these carpenters to increase their income and more business market for their products.

Positive Changes in Customer Base: The customer base has increased after implementation of the ESNA. When big orders are received by the entrepreneurs, they share the order among them. Further some entrepreneurs guiding the existing customers to get the some other facilities to other entrepreneurs.

The ESNA has developed many business relationships between multi ethnic groups and between regions within two years of time period. This has been proved through the several incidents.

- **Changes in the Social Relationships**

The baseline survey indicates that there is poor social interaction among the communities in this region. The civil war that prevailed until mid 2009 was a great prevention to any type of social relationships between the communities. This has created a big wall between the communities in this region. After the implementation of the ESNA activities many changes were observed in social relationships among them. It can be pointed out as follows:

Enjoying the Advantages of New Friendships: There are a great opportunities has been developed through the various initiatives of ESNA. Then the opportunities led to the entrepreneurs to meet and exchange their ideas and experiences. These led to many more new friendships and ties that they have become to rely upon in times of need. The following incident is the one of the evident which can justify the above stated statements.

Mr. Tharintu has been doing the printing job in Ampara. During passed election held in Sri Lanka, he had got lot of orders to print posters to that election campaign. But unfortunately on that particular day, the machine operator was on leave. At the same time, he had to deliver the posters as he got the orders on next day. For the purpose of getting finished these printings orders, he searched in many printing shops where he could not find any printings shops to put his orders as they were engaged with ongoing election works. Immediately he conducted Mr.Jeeva whose profession is too doing some printing works in Kalmunai. He had a very good relation with Mr. Tharintu, he promised to send his two children to help Mt. Tharintu to finish his poster printing orders. Immediately he sent his two children by motor bike to Mt. Tharintu's printing shop at about 1.00 AM midnight. Within the night they finished that printing orders and came back to Kalmunai.

The main reason for that big help done by Mr.Jeeva was the friendship that is made by ESNA activities. According to the base line survey the ethnic discrimination and negative perception towards other ethnicity has been deeply rooted among the entrepreneurs in this region. But this ESNA has break down this concept. Because Mr. Tharinthu from Sinhaha ethnicity and Mr. Jeeva from Hindu ethnicity.

These relationships are not restricted to the same trade or between the same communities; they cut across trades, region, and ethnicity. The following case was reported by the entrepreneurs who have experienced the ESNA activities.

Mr.Kannan who is professionally a welder in Kalmunai went to general hospital in Kandy to admit his sister for a surgery. There were numerous problems that have been faced by Mr.Kannan in order to get the surgery treatment completed. Mr.Kannan was a Tamil guy from Eastern Province. Further, as this need arose during the height of the war, the hospital was already operating to full capacity. Due to various reasons management board of the hospital denied the approval to admit his sister in the hospital. He was helpless at that time. He did not know anyone in Kandy. But he remembered a good relation with Mr. Siva, a welder from Kandy, who was introduced to Mr. Kannan by ESNA activities. Then he called to Mr.Siva. Instantly, Mr.Siva came to hospital and recommended him to admit in the hospital. Still Mr. Kannan reminds it that the help made by Mr.Siva is unforgettable and he pays his gratitude to ESNA activities which were the root of having the hospital works successfully done. Mr.Kannan and Mr.Siva continuing their friendships up to date.

Establishment of New Inter Religious Interactions: The people from all ethnicity recalled memories of attending different religious and cultural events in this region in good old days. But the baseline study shows that many of the entrepreneurs have not participated in the religious and cultural events of other communities. Many collective activities were completed by the ESNA. Now entrepreneurs who has experienced through these activities, are enjoying other religious events. Such as Ifthar (the evening meal that use to breaking fast during the month of Ramazan) Event, Pada Yathra (pilgrimage by foot, etc.)

The social relationships cutting across ethnic groups and religious have resulted in developing trust and understanding between ethnic groups and between regions sometimes even surprising the entrepreneurs themselves. Through ESNA the entrepreneurs in this region have realized that they are part of a larger network, this bring them out of their isolation and mistrust of one another.

CONCLUSION

The outcome of the ESNA has validated the proposition framed for this research. After implementation of the ESNA activities, the entrepreneurs from different ethnic groups and region joint together to establish new business linkages and social bonds. This has been facilitated through different types of ESNA activities in last two years time period in this region. The above stated case studies justify the conceptual frame work in an effective manner. The entrepreneurs have realised that there is much more benefits for them through the good relationships and linkages with other entrepreneurs from other ethnicity and region. The reduction of the isolation can open up new window for high economic (Income) benefits and

social bonds. This can lead to the contribution of conflict transformation and sustainable peace in the conflict affected regions.

The ESNA is a best approach to achieve the sustainable peace through the development of business and social relationships in the conflict affected region.

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