

# Promoting Inter-Community Dialogues Through Economic Engagement



**The Asia Foundation**  
Improving Lives, Expanding Opportunities

Inter-ethnic engagement through the economic domain has proven effective in many countries since it leverages a natural motivation to improve livelihoods and promotes shared space to foster interdependence and generate tangible outcomes for participants. The Asia Foundation in Sri Lanka works to promote inter-community dialogue through economic engagement.



The Initiative for Sustained Peaceful Inter-ethnic Relations for Economic Development (INSPIRED) aims to promote social cohesion through inter-community engagement in the business sector and advocacy for institutionalization and replication of successful inter-community reconciliation pilot initiatives. The project focuses on the Eastern Province and is implemented with the support of local partners; Group Action for Social Order, Eastern Self-Reliant Community Awakening Organisation, Sarvodaya, the Federation of Sri Lankan Local Government Authorities (FSLGA), and Good Market. It is based on the premise that if all communities involved in the formal and informal economy in the Eastern Province are supported to interact collaboratively around common economic interests, and the resulting benefits are inclusive and available equally to all, then inter-community relations at the community level will also improve.

The project aims to do so by focusing on the

following key objectives:

- Strengthening evidence-based policy making
- Improving inter-community relations through economic engagement
- Ensuring equal economic opportunities for both men and women
- Institutionalizing inter-communal collaborative business models

## DATA-INFORMED PLANNING

To establish an evidence base on socio-economic relations within and between communities in project locations, the Foundation conducted a series of studies which included a Social Capital Assessment, a Business Environment Barometer, as well as a qualitative and quantitative mapping of formal and informal economic activities in the Eastern Province. Data collected through these studies enabled the program to build a comprehensive picture of community dynamics in project sites which later

informed intra- and inter-group dialogues conducted with project participants on economic interdependence and social cohesion.

## FUNDING ENTREPRENEURS

As a part of this project, the Foundation is disbursing seed grants for a selected number of micro, small, and medium enterprise owners to support business ideas that promote and strengthen inter-community collaboration. Through these seed grants, the project reinforces social cohesion links between communities via economic resiliency, especially in the current context of the Covid-19 pandemic, which has badly hit small and micro enterprises, as is evident from the declines in sales, supply chain interruptions, and employee layoffs. The seed grant approach aims to build and strengthen relationships beyond project participants by engaging all actors involved in both the production cycle and the value chain (from suppliers to consumers) and eventually boosting economic recovery among communities, especially women entrepreneurs.

## PUBLIC-PRIVATE POLICY DIALOGUES

In partnership with the FSLGA, the Foundation is also conducting a series of Public-Private Dialogues (PPDs) to facilitate state officials and the private sector in constructive engagement to resolve business practice and policy concerns jointly. Through the implementation of PPDs, the Foundation aims to institutionalize equitable business practice reforms and policy changes within the project locations while applying a gender-sensitive approach when addressing key business concerns. These dialogues provide a platform to share inter-community concerns on recent and ongoing issues faced by local

businesses and to find constructive and sustainable solutions that could be replicated more broadly within the province.

## FOSTERING NETWORKS

In 2020, a series of district-level trade fairs were conducted to highlight the links that are being forged between local businesses from different communities and to provide an opportunity for consumers to come together to support cross-community initiatives.

The Foundation also partnered with Good Market to build capacity and networking among micro and small business owners within selected locations in all three project districts. The partnership aims to further facilitate inter-community dialogue and interaction between project beneficiaries through mentoring, knowledge sharing and training, to improve their business skills and perspectives via more sustainable channels.

## KEY ACHIEVEMENTS

- 364 small entrepreneurs, over half of them women, were trained in business skills and gender and conflict sensitivity, with 90% rating the programs as very good
- 90 seed grants were provided to a total of 171 project participants, with the majority being joint applications across ethnoreligious groups
- 10 business committees comprising of key officials from local authorities and representatives from the private sector were established across the Eastern Province to address issues faced by local businesses through a series of Public-Private Dialogues. Overall, 282 matters were submitted through this process.

*The Asia Foundation is a nonprofit international development organization committed to improving lives across a dynamic and developing Asia. Headquartered in San Francisco, The Asia Foundation works through a network of offices in 18 Asian countries and in Washington, DC. Working with public and private partners, the Foundation receives funding from a diverse group of bilateral and multilateral development agencies, foundations, corporations, and individuals.*



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