Sri Lankan Experiences of Post-Tsunami Small Business Survival and Recovery

by

Professor Keith Dickson and Rajitha Kangaraarachchi

Brunel Business School, Brunel University, Uxbridge UB8 7PH, UK

Presented at BAM06 British Academy of Management Annual Conference, Belfast, September 2006

KEYWORDS: Tsunami, Sri Lanka, Small Firms' Recovery, Social Capital

COPYRIGHT: Authors
1. Introduction

On December 26th 2004, an earthquake in the Indian Ocean created a tsunami that killed over 30,000 people in Sri Lanka alone and wrought immense devastation in the southern and eastern regions of that country, while simultaneously causing similar catastrophic effects in other neighbouring countries. In its immediate aftermath, basic survival and urgent relief were paramount but as time passed attention has also turned to the re-construction of communities and industries, including the re-establishment of previous dominant business activities in each region. Perhaps the worst affected industries in Sri Lanka were fishing, tourism and coir fibre production, all of which are located, for obvious reasons, on or near the sea. Their recovery is critical because of their economic significance, respectively as basic food supplier, foreign exchange generator and as the dominant community activity in certain coastal regions.

This paper describes a brief research project that investigated the impact of the disaster on small family firms producing coir fibre in South East Sri Lanka, and their recovery one year after that catastrophic event. The initial research objective was to focus on the year-long recovery of these small firms, but after fieldwork undertaken over Xmas 2005 uncovered far greater destruction to coir-making facilities, such that survival as much as any business recovery still pre-occupied these firms and their families, the study was broadened to include the management and distribution of aid to these small firms. The underlying hypotheses guiding this research are threefold – firstly, such communities have strong local networks and high levels of social capital which come to the fore in times of crisis; secondly, that business recovery is dependent on infrastructural re-establishment; and thirdly, that the priorities and types of aid vary over time.
2. Sri Lanka, the Tsunami and Coir Production

Sri Lanka is a small island with a population of some 19 million people comprising 74% Sinhalese, 18% Tamils 7% Moors and 1% other ethnic minorities. There is also religious diversity with 70% Buddhists, 15% Hindus, 8% Christians and 7% Muslims. From independence in 1948 until 1977, it had a strongly socialist economy but since then it has been increasingly pursuing privatization, market-oriented policies and export-oriented trade. Tea and rubber are important exports, but the most dynamic sectors are now food processing, textiles and apparel production, telecommunications, insurance, and banking. According to the Central Bank of Sri Lanka, recent GDP growth has been above 5%. Small and medium-sized enterprises play a very dominant role in the economy of Sri Lanka as major contributors to its export earnings and employment. They represent the largest segment by far in the country’s manufacturing sector.

On 26th Dec 2004 Sri Lanka was hit by massive tsunami waves that arose from a powerful earthquake that occurred under the Indian Ocean near Sumatra. Over two thirds of the island’s coastline was devastated, killing more than 35,000 people and displacing over one million individuals. The waves, as high as 15 feet, penetrated up to 3 miles inland and swept away people, houses and, unbelievably, even a train with 1700 passengers. It was the largest human disaster that has happened in Sri Lanka over its recorded history. The tsunami caused extensive damage to personal and business property, while social networks and industrial infrastructures were also severely disrupted. Overall asset loss is estimated at 4.5% of gross domestic product (GDP), with reconstruction costs rising up to $1.6 billions.

The impact of tsunami on SMEs has been very high in terms of the number of enterprises affected and the number of SME owners and employees who lost their livelihoods. Of the 4,000 plus severely-affected businesses, the majority were

---

1 Government of Sri Lanka Official website
2 Central Bank of Sri Lanka web site
4 Asian Development Bank website, Article A, 2006
located in the Southern Province, predominantly in the Galle and Matara districts and over 800 of these southern firms were micro or small firms dealing in coir-based products\(^5\). In equipment terms, over 700 retting pits, 30 fibre mills and 1,200 yarn spinning machines were destroyed.

Coir fibre is produced from the processed husks of coconuts by retting and yarn spinning processes and these fibres are then used to in the making of rope, matting, nets, etc. Since coconut trees are predominantly seashore-based, processing of the husks has invariably been located there also, since retting involves immersing the husks in water for up to six months. The processing of husks into fibre and the manufacture of coir products are simple, yet major industrial activities in Sri Lanka employing many thousands of home-based workers. These activities, in Sri Lanka and India, account for over 90% of the world’s manufacture of coir-based products.

3. **Survival of SMEs: Recovery and Growth**

Growth is an important stage in the life cycle of a small firm. In order for a small business to survive it should have a desire to grow, as past research has shown that there is a high correlation between these two factors\(^6\). Growth is influenced by many factors but primarily these are related to the entrepreneur’s background, the nature and environment of the small firm, and the strategic decisions taken by its owner managers\(^7\). In order to achieve growth the above components need to be balanced appropriately, but due to the complexity and fluidity of this combination, it is very difficult to identify whether or not a firm will be a success at start-up\(^8\). Although many of the growth models assume that entrepreneurs’ motives are to grow their small firms, not all entrepreneurs are for growth, since life style and personal attitudinal factors as well as market factors may have significant bearing.

Other barriers to growth exist and can be either external or internal to the small firm.

---

\(^5\) FCCISL in Action 2005  
\(^6\) Burns P, 2001  
\(^7\) Storey, 1994  
\(^8\) ibid
External growth barriers include market competition, demand, availability of finance, and labour constraints, while internal growth barriers consist of, *inter alia*, resource constraints, strategic issues of the owner⁹. For rural firms, especially in developing countries, growth will be particularly limited by market and labour conditions that are longstanding and even rigid¹⁰. Recovery for these small firms, following some form of economic disruption, will therefore be even more difficult when resources are so constrained. The role of national governments, NGOs and aid agencies in financially assisting such traumatised firms, to recover become critical¹¹.

4. Disaster Management

Pelling’s succinct definition of a disaster - “the outcome of hazard and vulnerability coinciding”¹² - clearly describes the situation that Sri Lanka faced when the tsunami hit that country. Disaster, he further defines, is a state of major disruption to systematic function. Such situations appear to pass through Laplante’s four-phase ‘Disaster Cycle’:-

- **Emergency Phase**: Period of high consensus in the community, with much altruistic behaviour aimed at preventing or reducing human suffering.

- **Restoration Phase**: Activities that will return the community to normal functioning are undertaken.

- **Reconstruction Phase**: Semblance of normal functioning is achieved, activities aimed at permanence begin. Families return to home, work or school and community rebuilding starts.

- **Development Reconstruction Phase**: Plans and actions decided upon during the earlier reconstruction are implemented.¹³

It is clear from the above disaster cycle that soon after a disaster the immediate concern will be to prevent human suffering rather than starting to rebuild livelihood. Once the community is at a stage of mental and physical stability then reconstruction may begin. When disaster hits, huge amounts of aid will flow from different sources

---

⁹ Burns, 2001
¹¹ Wattanaprittipaisan, 2003
¹² Pelling, 2003, p 5.
¹³ ibid.
and with such aid, comes the risk of corruption by middleman and suppliers as well as officials. Hence government organisations, international agencies and NGOs try to ensure that the aid delivery and reconstruction work give priority to, ‘maximising the effectiveness of existing laws and procedures to minimise and deter corruption in tsunami relief and reconstruction’\textsuperscript{14}

In some situations disaster relief efforts may be slow due to various internal and external reasons. For example, regarding tsunami disaster relief efforts, it was found that key bureaucratic problems - slow decision-making, failure to absorb and process outside information, and entrenched commitment to failed courses of action – were evident\textsuperscript{15}. Furthermore, it was found that lack of national level coordination, shortage of skilled labour for construction, accountability, communications and the need to sustain the momentum built were the key challenges of the post tsunami recovery process. Government officials as well as donor community has confirmed that poor co-ordination had lead to many instances when decisions and action taken are conflicting and resulting lot of overlapping and duplication\textsuperscript{16}.

5. Social Capital and Small Firms

Social capital consists of “the norms and social relations embedded in the social structures of societies that enable people to co-ordinate action and achieve desired goals”\textsuperscript{17}. It is seen as a logically creditable way of discussing issues of social responsibility and acknowledging contributions made by business or other groups to society. Social capital thus provides a basis to businesses to congregate and generate advantages through shared resources enabling societies to prosper and develop sustainable economies\textsuperscript{18}.

Social Capital also permeates in the informal networks that exist in all societies.

By examining informal networks in urban and rural regions, Kingsley and Malecki

\textsuperscript{14} Khalid & Rahman, 2005, p 36.
\textsuperscript{15} Takeda & Helms, 2006
\textsuperscript{16} Weerasekara, 2005
\textsuperscript{17} Huppi and Seemann, 2001,p 4
\textsuperscript{18} Spence, Habisch and Schmidpeter, 2004
have found that small firms use the informal networks for different types of advice, whether it is product development, competitive concerns, or labour issues. But above all, their focus is upon fashioning an informal network that works for them. This is developed even further where membership of long-standing communities provide links to professional, business or status groups or networks. According to Marger, business networks often develop around the entrepreneurs' private networks, building on their social capital to create equally favourable relationships satisfying a combination of business and social needs.

The key philosophy underpinning social capital lies in generalised reciprocity. For Putnam, social capital has both individual and collective aspects. Connections are initiated through selfish motivations, but this transcends to wider benefits for others in the community. The advantage of community participation lies in the social capital generated through interactions with other members. Social capital within communities flourishes on the basis of generalised norm of reciprocity commonly applied to business behaviour. The generalised rule of reciprocity suggests participants in a network will behave in a manner that they themselves would expect to be treated. In a case of a disaster, social capital flows outwards to help those in need in all ways possible.

6. Methodology

Three approaches to data collection were employed. Two surveys using structured questionnaires collected data from samples of coir fibre producers from two regions – the south-eastern region around Matara that was heavily affected by the tsunami (sample of 35 yarn spinners plus 5 mill owners) and an unaffected region north of Colombo (sample of 25 yarn spinners and 5 mill owners). By this simple comparative method, issues concerning business activity, pre- and post-tsunami, can be contrasted as well as providing information on inter-regional support. Questions

19 Kingsley, Malecki E J, 2004, Vol. 23, Iss. 1; p. 71
21 Putnam, 2000
focussed on firms’ efforts to re-establish their businesses and the support given by aid agencies, government sources and the wider community. Particular questions sought information on a range of internal and external factors including labour availability, equipment replacement policies, income flows over one year, types and distribution of business aid and the role of other stakeholders within the community.

In addition, twelve face-to-face interviews were also held with representatives of aid agencies (Oxfam), NGOs, and trade associations (e.g., Coir Council International, Coconut Development Authority, Coir Mill Owners’ Society), officials from the Industrial Development Boards of Galle and Matara, and even the heads of religious organisations active in the affected region’s relief work. With these interviews the emphasis was on acquiring evidence on the management and distribution of aid to the small firms, especially its variation over time.

The main research topics can be summarised as an examination of the following:

- Recovery Process, one year after the tsunami, including details of finances and operations, equipment needs, industrial infrastructure, etc.
- Role and Efficacy of Aid Agencies and the Government in helping the affected SMEs to recover via distribution of Aid.
- Role of the non-affected coir community in assisting the affected people.

7. Findings

Of our sample of 40 affected firms, most were devastated as a result of severe damage to equipment and/or retting pits, as outlined below. All the Mill owners lost everything and while some yarn spinners were only partially affected, not one survived unscathed.

Table 1: Extent of Damage
7.1 Recovery of Small firms Post-Tsunami

The coir industry was one of the worst affected industries as noted by all the interviewees yet one year after, the yarn spinning sector has recovered to such an extent that the Oxfam representative claimed that the yarn spinners are now working normally. But it was clear to the field researcher that some spinners have not recovered psychologically and others were doing very little with the apparent intention of just gaining more aid.

**Income Effects on Affected Firms:** The level of income was categorized at 5 stages - income before tsunami, 1, 3, 6 months and 1 year after the tsunami. Incomes of yarn spinners before the tsunami were typically between 2 and 6 thousand rupees per month, with the older firms having higher incomes, while mill owners had significantly higher incomes - up to 12 thousand rupees (190 SLR = £1). Fig 1 displays 7 seven categories against time with the average incomes noted being the average of the sample of yarn spinners and mill owners at a particular time. It indicates that mill owners, who had more fixed assets initially, have yet not fully recovered, while yarn spinners, with fewer assets, have recovered to their former income levels.
Income Effects on Non-Affected Firms: Of the 25 yarn spinners in the non-affected area, few experienced any direct business effects at all, but 7 of them did suggest indirect factors such as transport unavailability (as trucks were diverted for emergency relief), buyer/supplier disruptions and family deaths. It is also clear that these yarn spinners did not profit from the problems further south. For the five mill owners in the unaffected area, little or no effects were noted. Figure 2 illustrates the transition period in the non-affected area.

Fig 1: Income Trends of the Yarn spinners & Mill owners in Affected Areas

Fig 2: Income Trends of the yarn spinners & mill owners in Unaffected Areas
7.2 Reasons for Slow Recovery

Predisposition towards growth by many of the lower income earners in the coir industry is very low as their primary motives will be to maintain their day-to-day living rather than worrying about growth. But it will be different in higher earners as they will be able to generate additional resources to be allocated towards growth. But both groups clearly wished to recover business at least to former levels.

**Mill Owners:** For mill owners the main reasons for their slow recovery appear to be damaged machinery, lack of aid/finance, labour unavailability and lack of raw materials. The latter reason arose because most retting pits were destroyed and few spinners had yet re-established themselves to supply materials. Labour unavailability was prevalent because many workers had not returned to work due to their traumatised state (and it was observed that there is no mechanism in the system to counsel such people). The mill owners, along with other higher incomer groups such as exporters, appear to have received little or no financial aid for business recovery (confirmed through interviews with them and the aid agency representative).

**Yarn Spinners:** Yarn spinners do not need large sums of finance as they only used one type of simple machine and the business is usually carried on in the owners’ residence. Moreover, there are loan schemes such as “Susahana” which is given to small firms by the government\(^{22}\). The medium scale entrepreneurs either uses their internal finance such as own savings or go for loan schemes provided by banks. This is the normal way of financing SMEs in Sri Lanka, but it was not the same after the tsunami as banks appeared less willing to give loans to medium-sized or large businesses loans that had even been only partially affected.

Below are the survey results obtained from the yarn spinners as to what business-related factors contributed to slow growth, with relevant commentary following.

---

**Table 2: Business-Related Reasons for slow recovery**

\(^{22}\) Central Bank of Sri Lanka web site
Out of the 35 yarn spinners almost all agreed that damaged machinery and pits affected recovery, obvious since the equipment was essential to their production (those who disagreed over machinery damage did not use any machines even before tsunami as they were from area that spun yarn manually).

The polarity of opinions regarding low demand arose from whether the respondents had, or had not, received new machinery and yarn as aid, since those with such aid contributed immediately to greater supply thus reducing demand. Those that got aid for replacing machinery were prominent amongst those who cited lack of business advice as another reason. In essence, little or no ‘after-aid’ support was provided.

Another survey of non-business-related factors affecting yarn spinners generated the responses displayed in Table 3 below. Whilst the condition of roads and communications appeared to have some effect, there was a surprising strong agreement that food supply and medical facilities and consequently personal health, were particularly problematic. This must be largely due to the quick response to help the affected community by the non-affected and the international community. Housing on the other hand was more influential as many of those affected would have operated their business machinery within their homes which may have been destroyed.

![Table 3: Non-Business Related Reasons for Slow Recovery](image-url)
### Non Business Factors Affecting Recovery

<table>
<thead>
<tr>
<th>Non Business Factors Affecting Recovery</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>N/A</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition of Roads</td>
<td>0</td>
<td>13</td>
<td>9</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Availability of Fuel</td>
<td>1</td>
<td>4</td>
<td>30</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Poor Food supply</td>
<td>19</td>
<td>16</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Poor Medical Conditions</td>
<td>12</td>
<td>22</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Poor housing</td>
<td>1</td>
<td>11</td>
<td>1</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>State of Personal Health</td>
<td>1</td>
<td>23</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Damage to commun. facilities</td>
<td>6</td>
<td>14</td>
<td>12</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

#### 7.3 Aid Distribution and Management

Soon after tsunami the government instructed the relief agencies and donors that no new construction or livelihood activities be supported within a coastal belt up to 100m from sea in the south, west and up to 200 meters in the North West. For this reason the people who lived with in these areas did not receive any aid for reconstruction. However, 10 months after the disaster, the government decided to narrow the zone to 50 metres in the south, and 80 metres in the north and east, depending on the vulnerability of the area to future threats from the sea\(^{23}\).

IDB conducted a survey in January to identify the most affected sectors and the results were given to the government and foreign agencies to be used for aid distribution. Hence aid was immediately given to the worst affected yarn spinners. The next step which government prepared was to help the mill owners but lack of funds inhibited this, especially since the amount spent to support one miller could be used to help 40-50 yarn spinners. Table 4 indicates the sources of aid for yarn spinners and shows that NGOs (primarily aid agencies) were the first to offer and distribute aid with government aid arriving a little later, influenced perhaps in part by the explanations above.

---

**Table 4: Sources of Aid & Timing of Aid for Affected Yarn Spinners**

---

\(^{23}\) Inter press service new agency website 2005
The aid given to yarn spinners for business recovery consisted mainly of a yarn machine and some free coir. Out of 35 respondents 27 received a free machine to restart their business and 26 of them received raw coir to start spinning. The support given for the reconstruction of premises and pit construction was very low compared to the support given to buy machinery, which somewhat handicapped any further progress. Much of the machinery supplied to both spinners and mill owners was not necessarily new, but at least it was as good as their previous machines and there were few complaints.

<table>
<thead>
<tr>
<th>Organisation Name</th>
<th>1st Month</th>
<th>3-6 Months</th>
<th>6-12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Government</td>
<td>0</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>NGO</td>
<td>12</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Private Sector Firms</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Trade Organisations</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Local Community</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Regional Community</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 5: Forms of Business Support

<table>
<thead>
<tr>
<th>Form of Support</th>
<th>0&lt;25%</th>
<th>25&lt;50%</th>
<th>50&lt;75%</th>
<th>75&lt;100%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Machinery</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>27</td>
</tr>
<tr>
<td>Repair Machinery</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reconstruct Premises</td>
<td>33</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Purchase of Supplies</td>
<td>9</td>
<td>0</td>
<td>20</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Pit Reconstruction</td>
<td>25</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

7.4 Other Sources of Aid

As a Buddhist country that follows the teachings of Lord Buddha, SL’s people are very considerate about helping each other in times of need. As such it comes as no surprise when the tsunami aid generated through social capital reached remarkable levels. Khalid & Rahman note that the international and public sector made an
impressive contribution to assist the affected areas\textsuperscript{24}. According to research done on tsunami reconstruction and redevelopment in the Maldives, it is found that workers from various communities were brought together to assist in social reconstruction\textsuperscript{25}, indicating that the community plays a major role in disaster relief by means of social capital. From at least one interviewee, it was noted that the response given by the non-affected and the international community has been remarkable - as a result everyone got food, clothing and shelter at the time of need.

All the religious leaders helped the affected community without any religious or cultural favouritism. For example the Buddhist temple in Madampe, was a refugee camp until the end of April 05. Food, clothing and medical assistance was given to everyone who came. The temple received food and other essentials with the aid of the non-affected community. The religious organisations also built houses for the affected with the aid of the non-affected community, but they did not give any aid for business recovery. The bond between the temple and the people increased as a result of all the help given to them.

24 of affected yarn spinners obtained temporary accommodation in the village temple immediately after tsunami, and another 9 received immediate family support as they had family living in non affected areas. Support from the local community was not available since it was clearly in much the devastated state as the yarn spinners. All 35 yarn spinners agreed that the wider non-affected community had helped them significantly by giving food, clothing, etc. Most also received food and clothing from the temple, while a few relied on family. Only family support helped with reconstruction work for 16 spinners.

<table>
<thead>
<tr>
<th>Form of Aid Received</th>
<th>Family</th>
<th>Local Community</th>
<th>Wider Non-Affected Community</th>
<th>Religious Org'ns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary Accommodation</td>
<td>9</td>
<td>2</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Food Clothing and Water</td>
<td>12</td>
<td></td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>Labour for Prem Reconstructn</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{24} Khalid & Rahman, 2005  
\textsuperscript{25} Pardasani, 2006
In the survey of the non-affected region, there were many examples of support from non-affected spinners and mill owners as individuals, and as a collective response. Of the 25 yarn spinners in the non-affected area, 24 of them said as an individual, they sent “as much as food and clothing as they could”, and in some cases also donated money. These individual contributions were all given to the affected community in general and not specifically to the coir producers. All 5 mill owners said in the non-affected area also said that they gave, “as much food and clothing as they could” and one of them gave money towards disaster relief. Also another mill owner said that he gave a lorry to transport food and clothing to the affected areas.

However, there appeared to be little collective support as coir producers, if only because there appeared to be little collective business organisation in that area. But the CDA (Coconut Development Authority) was active to some extent and the IDB in Galle organised coir from Kurunegala (a non-affected area) to be distributed among the affected spinners.

8. Discussion and Conclusions

The main research objective was to find out how well the SMEs in one particular industry in Sri Lanka have recovered one year after the tsunami. The findings show that these firms have not yet fully recovered, the main reasons being the imbalance of specialist aid for business recovery, labour shortages and general inefficiencies of aid management.

The results from the surveys shows that while individual yarn spinners have recovered to a great extent, much more needs to be achieved to return to pre-tsunami conditions. The reason for this situation is that in giving aid to the coir industry, all the aid distributors gave initially to yarn spinners as the cost of helping them individually is lower than the cost of helping millers and exporters. Thus there was uneven recovery for the industry as a whole. Although the millers received very little aid, they have somehow managed to recover with private support and intense will
and commitment to survive and grow.

The recovery process has followed a similar trajectory as outlined by Pelling and discussed earlier. Unfortunately, as with many disasters, inefficiencies exist. One analysis of the tsunami disaster relief efforts identified bureaucratic delays and slow decision-making as key problems. International donors (NGOs) have played a vital role in the business recovery process yet a weakness seen in the system of aid management was that there is little or no coordination between the parties that distribute aid, which led to duplication of aid as well as important segments of the industry being neglected.

Social capital played a major role in aiding the coir industry. As a result of the immediate response, food, housing and medical assistance were not significant factors in the business recovery process. Research by Gupta & Sharma on why the recovery process has been slower and less efficient in the small island communities in India as compared to mainland communities, found that, “good governance and social capital are important elements for ensuring equitable recovery processes.”

The recovery process in Sri Lanka was more successful, due mainly to the involvement of wider, non-affected community.

Yet growth in the coir industry in Sri Lanka is general is slow due in part to its maturity and the reluctance of the younger generation to enter the industry due to more urban job opportunities, a phenomenon well known in development studies. The tsunami has simply reinforced or accelerated that trend. Coupled with the perennial lack of readily available finance that dogs many small firms, again exacerbated by the disaster when many Sri Lankan banks become even more reluctant to offer loans, the continuing recovery, albeit slow, of the coir industry, and even its future, is a matter of concern.

---

26 Pelling (2003)  
27 Takeda & Helms, 2006  
28 Weerasekara, 2005  
29 Gupta & Sharma, 2006  
30 Chuta & Sethuraman, 1984
Bibliography

Asian Development Bank website,  http://www.adb.org, Tsunami to Knock down less than half a percentage of Sri Lanka’s growth, Accessed on 01/04/06

Burns P (2004), Entrepreneurship and Small Business, Palgrave


Khalid & Rahman (2005), Tsunami reflections: turning pledges in to action. The OECD Observer, May 2005, p. 36


Pelling M (2003), The Vulnerability of Cities, Natural Disaster and Social Resilience,


