

# **Mobilisation of the Poor — a means to Poverty Reduction?**

**Final evaluation of the Change Agent Programme  
in Sri Lanka**

**Kalinga Tudor Silva  
Sepali Kottegoda  
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**Asia Department  
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**Sida Evaluation 02/08**

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## Abbreviations used

AGA	Assistant Government Agent
CAP	Change Agent Programme
CAP I	Phase One of Final Evaluation of CAP
CAP II	Phase Two of Final Evaluation of CAP
GND	Grama Niladhari Division (lowest unit of rural administration)
GoSL	Government of Sri Lanka
GS	Gami Sanvidanaya (village-level CAP organisation)
JVP	Janatha Vimukti Peramuna
IDP	Internally Displaced People
IRDPP	Integrated Rural Development Programme
LFA	Logical Framework Analysis
NDTF	National Development Trust Fund
NGO	Non-governmental Organisation
PIDA	Participatory Institute for Development Alternatives
PO	Prajashakti Organisation
PRA	Participatory Rural Appraisal
PSMS	Prajashakti Maha Sangamaya (national federation of POs)
REAP	Regional Economic Advancement Programme
RDTRI	Rural Development Research and Training Institute
Sida	Swedish International Development Cooperation Agency
SLCDF	Sri Lanka Canada Development Fund
SLIDA	Sri Lanka Institute of Development Administration
UNDP	United Nations Development Programme

## Executive Summary

This evaluation assesses the effectiveness, impact, sustainability and relevance of the Change Agent Programme (CAP) with a focus on the Sida-supported phase of the programme (1987–98). The evaluation was conducted by a multi-disciplinary team consisting of a rural sociologist, micro-finance specialist, and gender specialist. The evaluation process consisted of two phases. In the first phase a desk study was carried out to review all available reports on CAP and preliminary field visits were made to selected sites with a view to making preliminary findings that would determine the methodologies used for the investigations in phase two. In phase two specific questions were answered through detailed field investigations conducted in locations covered by 11 of the 53 Prajashakti Organisations operating in May 2001.

The CAP programme has successfully overcome many challenges during its 23-year lifetime. The key strengths of the CAP approach evolved over many years and include the building of a group process among the poor using a catalyst in the form of a trained agent to foster collective action to reduce poverty and overcome entrenched disadvantages; an emphasis on self-reliance among the poor; the absence of any handouts or income transfers, applicability in a wide range of situations; and attraction for the poor in general and women in particular. The effectiveness of the mobilisation approach as a development tool is generally recognised not only within CAP but also in a range of other development programmes which have been directly or indirectly influenced by CAP. The programme has achieved a degree of success in building up group funds and meeting the emergency credit needs of member households. There were instances where small producers improved their bargaining power with regard to middlemen through CAP interventions, but the project achievements with regard to the development of self-employment and the overcoming of the constraints of small producers is sometimes overstated. The programme had greater success in building a group process within which women from poor rural households found a convenient social space for pursuing collective interests, typically in a manner that did not challenge the status quo. The approach used by the programme remains relevant to the social and economic goals of the GoSL, Sida, and various other stakeholders, including the poor themselves.

With the transfer of the primary responsibility for sustaining the processes initiated by CAP from RDTRI to newly formed NGOs led by the trained mobilisers who remained within the programme, the new organisations are facing problems that challenge the very survival of the CAP-initiated group processes. These include funding shortages, rapid turnover of staff (including mobilisers), decline in membership in CAP small groups, low repayment of loans, and low sustainability of micro-finance and other operations undertaken by the newly formed Prajashakti Organisations. Of the 53 POs that are currently in operation, only nine are assessed to be financially viable. Possible remedies for this situation include enhancing and diversifying funding sources, integrating CAP-initiated micro-finance programmes into other programmes with a longer track record in micro-finance activities, sharing experiences between more and less successful POs, improving the monitoring of operations, and developing financial information systems.

Whether or not the existing CAP-initiated processes survive the problems they now face, their approach to social mobilisation will be relevant to poverty alleviation and related programmes in Sri Lanka and perhaps elsewhere. To improve its prospects for wider application, the social probing involved in the mobilisation process may need to extend beyond a fixation with the exploitative role of middlemen in rural economies. It could also encourage reflection on issues such as unequal gender relations, particularly at the household level, better use of household resources and ways to overcome wasteful and potentially harmful expenditure patterns at the household level, and

promote efficiency, productivity and competitiveness among small-scale producers and small entrepreneurs. In view of the ongoing war in Sri Lanka, it would be useful to explore the potential for using a modified mobilisation approach in rehabilitation and community-building efforts in the war-affected areas. This could also be an area where further donor support may be needed.

# 1 Introduction

This chapter deals with the background to the final evaluation of the Change Agent Programme (CAP), the rationale, scope and objectives of the evaluation, and the methodology used.

## **CAP as a pioneer in participatory development in Sri Lanka**

During the last several decades models of participatory development have received greater attention than ever before from advocates and critics alike. Various models and strategies for “more active engagement of the poor in development” have come under review in development theory and practice (Cornwall 2001, UNDP 1999). Within Sri Lanka the paradigm shift from conventional top-down approaches to development towards more participatory approaches advocating empowerment and mobilisation of the poor was marked by both the emergence of a process of “awakening” under the Sarvodaya Movement (a leading non-government organisation since 1958) and the development of the Change Agent Programme (CAP), a government-initiated programme for catalysing the rural poor begun in 1978.

The Change Agent Programme has been a small but distinctive component of rural development and poverty alleviation programmes of the Government of Sri Lanka (GoSL) since 1978. Both the programme’s objectives and the strategies pursued have undergone considerable change in response to internal and external pressures (see Chapter Two). From its inception the key aim of the programme was to promote awareness and motivation among the rural poor through a process of catalytic intervention designed to marshall their collective energies towards economic and social advancement. “Social mobilisation” was the keyword. Initially CAP aimed to catalyse the poor through a cadre of well-trained and highly motivated change agents who would help the poor to break free of oppressive and exploitative intermediaries in production and marketing. In more recent times this preoccupation with social mobilisation has been overshadowed by efforts to develop community-based savings and credit operations designed to promote income-generating activities and businesses among the poor.

The Rural Development Training and Research Institute (RDTRI), a government agency established in 1974, has been instrumental in developing and administering CAP from its inception. In the initial years the programme suffered several setbacks because of a lack of funds, administrative shifts, staff turnover and changes in policy environment. During different stages of CAP’s development it received support from a range of international donors including UNDP, Konrad Adenauer Foundation, CARE International and Sida. While CAP represented worldwide interest in the conscientisation of the poor inspired by the work of Paulo Freire (1970) and the framework of action research that became popular in several countries during the 1980s (Cornwall 2001), the specific approach used has been rightly characterised as an “indigenous development” (Ratnaweera 1987). Sida, identified in one evaluation as “the keenest supporter of concepts behind social mobilisation in Sri Lanka in the 1980s” (Lindahl 1998), began supporting CAP in 1987. Between 1993 and 1998 the implementing organisation, RDTRI, covered 85 per cent of the CAP budget with contributions from Sida.

The phasing-out of Swedish support to RDTRI was complemented by the formation of an independent NGO owned by the workers and beneficiaries of CAP. RDTRI has continued to assist the new organisation with training and advice, and provides training for Samurdhi, the large GoSL poverty alleviation programme.

It is generally acknowledged that CAP has successfully reached certain segments of the rural poor, creating awareness and initiative and improving living conditions. In its early phase CAP was unique in Sri Lanka. Many advocates and activists dedicated themselves to promoting CAP, a key factor in the relative persistence of the CAP methodology in spite of many shifts and turns and challenges faced by the programme (SLIDA 1981, Gunatilake 1985). Other development programmes for the rural poor have since appeared, and many have learnt from CAP. CAP has disseminated concepts and methods of participatory development and social mobilisation techniques to a range of nationwide programmes including IRDPs and the Janasaviya Programme, National Development Trust Fund, Samurdhi Programme, and ISURU programme implemented by the Central Bank of Sri Lanka.

In the process of this development a somewhat ambiguous attitude towards CAP has emerged. Although the importance of social mobilisation is recognised, it is being questioned whether such a lengthy process of mobilisation is justified or even necessary given the pressing needs of the poor (Leelasena 1999). It must be noted that for some of CAP's advocates the programme has had the appeal of a social movement, and some of the ardent supporters of the original formula of the CAP approach feel that since the early 1990s the programme has increasingly betrayed the original objective of conscientisation of the poor and moved towards increased coverage and the routine formation of small groups, and the building of group funds at the expense of promoting a process of catalytic change (Sisira Amarasinghe, personal communication). Some of those original supporters have left the programme in protest against what they see as the callous betrayal of the real mission of the programme. Those responsible for the recent shifts in the programme, however, argue that the ongoing changes are necessary adjustments in view of changes in the programme environment caused by both macro processes such as globalisation as well as problems posed by competing programmes in Sri Lanka (Perera 1990). They also allege that CAP has not raised the incomes of the poor enough and that their activities have failed to "mature" into enterprises which could provide employment on a larger scale, and that CAP's social mobilisation process is not well-adapted to the features and requirements of a market economy (Ratnaweera 1990).

There are now a variety of development programmes operating in rural areas, many of them practising small group-based savings and credit schemes and a certain dose of "social mobilisation" (Leelasena 1999). Nevertheless, RDTRI staff are convinced that there is no "quick fix" credit handout that could bring about a lasting improvement to the situation of the poor. Transfer of the responsibility for CAP from RDTRI to a network of newly established NGOs has created a sense of insecurity about the future of the programme in some circles and a renewed sense of optimism about the future in others (Ruwanpathirana and Isaksson 1996).

These contrasting views and contradictory claims about the success or failure of CAP point to the need to re-examine the effects and impacts of the programme in the light of recent shifts in the overall direction of the programme.

## **Rationale for the final evaluation of CAP**

As an innovative approach to rural development, CAP has been subject to numerous evaluations from the very beginning. They include internal evaluations by teams affiliated with RDTRI and related institutions, as well as external evaluations, typically commissioned by the donors supporting the programme. Among the early evaluations were Tilakaratne (1979, 1982), SLIDA (1981), Knall and Wagner (1981), and Talagune (1985). Several mid-course evaluations sought to capture the effects of various twists and turns in the programme (e.g. Hewage 1987). In 1991 Lindahl,

Softestad, Wanasinghe and Ernfors reviewed the role of CAP within the framework of Sida-funded projects in Sri Lanka. A similar assessment of Sida-funded development projects in Sri Lanka was carried out by Lindahl in 1998. Gender aspects of the programme received special attention in Jayaweera and Dias (1996) and Dissanayaka and Weerasinghe (1998). There have also been several studies on CAP and other similar programmes by independent and more academically inclined researchers (Arunasiri 1993, Rasanayagam and Amarasinghe 2000).

Against this background it is legitimate to ask whether a final evaluation of CAP is really necessary. This is particularly so in view of the fact that Sida support for CAP came to an end in 1998. In addition social mobilisation of the type advocated by the original CAP philosophy does not seem to be central to or even valid for many of the new development initiatives in Sri Lanka, including REAP and even the grassroots-level initiatives evolved from CAP itself. In spite of these important considerations, a careful assessment of the overall impact of CAP in the form of a final evaluation is considered necessary for a variety of reasons.

First, among poverty researchers as well as among policy analysts in general there is a growing concern that a renewed emphasis on empowerment of the poor is a necessary corrective to the advances made under the now-dominant neo-liberal approach to development. This view has been expressed internationally (Cornwall 2001, UNDP 1999, Gopal and Marc 1994) as well as in the context of policy debates in Sri Lanka (Gunatilaka 1997, 2000, Silva et al. 1999, Clearly 1995, Lakshman 1994). For instance, in a recent evaluation of Sida-funded projects in Sri Lanka (including CAP) Lindahl (1998:1) warned against “throwing out the successes of participatory development” under the pressure of private sector promotion and policy recommendations for the increased commercialisation of rural production processes. This in turn points to the need to re-examine the role of CAP-type interventions in poverty alleviation and empowerment and in the mainstreaming of those left out of market-led growth. From this angle the validity, potential and limitations of CAP-type interventions in the context of economic liberalisation and globalisation processes deserves to be considered.

Second, in so far as CAP is concerned, even though the externally funded nationwide programme has officially come to an end, the processes initiated and developed under CAP are expected to continue via newly formed NGOs at national, district and divisional levels. These organisations need to learn from the past experiences of CAP and at the same time adapt the CAP methodology to suit their own requirements and situations. Given the immaturity of these organisations, without well-informed guidelines they may not have the capacity to fully realise the potential of CAP. Further, given the divergent and often conflicting views about the nature and outcome of CAP among current and former CAP activists themselves, as noted earlier, a final evaluation of the programme is necessary to answer some of the questions raised. Moreover, given the more or less uncritical “faith” in CAP philosophy among some of its ardent supporters, a realistic assessment of the achievements of the overall programme has become all the more necessary.

Third, as principles similar to those used in CAP have now been adopted by various government and non-government agencies engaged in development and poverty alleviation, lessons from CAP may be useful and applicable to many agencies in Sri Lanka and abroad (Rasanayagam and Amarasinghe 2000, Leelasena 1999, Arunasiri 1993). If we do not take the opportunity now to reflect systematically on the long and rich experience of CAP as an indigenously evolved developmental experiment – and one which has been used as a model for community mobilisation and participatory development – it may be a missed opportunity in terms of development planning and research.

## **Background to the final evaluation**

As Sida support for CAP came to an end in 1998, a decision was made by Sida, in consultation with RDTRI, to commission a final evaluation. In view of the long duration of the project and the challenges of evaluating a project of this nature (see later in this chapter), the proposed evaluation was carried out in two phases, CAP I and CAP II.

Assessments under CAP I were expected to both generate preliminary findings about CAP outcomes and formulate guidelines for more rigorous investigations, including field research to be carried out in CAP II.

CAP I was carried out from March to April 2000 by a team consisting of a sociologist and an economist, both Sri Lankan. This involved a literature review, key informant interviews with selected CAP leaders, and preliminary field visits to a number of CAP sites. The CAP I findings were discussed in May 2000 with an audience consisting of RDTRI staff, various workers and consultants associated with CAP, policymakers, researchers and representatives of Sida (Silva and Gunatilake 2000). The findings, including recommendations for CAP II, were discussed both in Sida/Stockholm and in Sri Lanka to determine a strategy for CAP II. Another workshop was arranged in November 2000 in RDTRI Colombo, where an LFA-type exercise was conducted with the participation of a consultant from Sweden to clarify the reasons for pursuing CAP II and to decide what approaches would be used to make it relevant to the primary stakeholders, including CAP members and leaders, RDTRI, and other relevant agencies in Sri Lanka and Sida.

CAP II was carried out from March to July 2001 by a team consisting of a sociologist, microfinance/enterprise development specialist and a gender specialist, again all Sri Lankan. An inception report outlining the scope, objectives and methodology of CAP II was discussed with selected stakeholders, researchers and other interested parties in a workshop held in RDTRI in April 2001 (see TOR, Annex 1). A similar workshop was held in Pilimalalawa RDTRI Centre in April 2001 to secure the views of CAP beneficiaries about the issues to be investigated. Both CAP I and II were conducted in a participatory manner taking into consideration the views of different stakeholders at various stages of the evaluation from identifying the issues to be investigated to analysing the findings. In keeping with this approach the preliminary findings of CAP II were discussed with a group of different stakeholders, including some of the original CAP architects, in a workshop held in RDTRI on July 23, 2001.

This report synthesises the findings of CAP II, taking into consideration the preliminary findings of CAP I and the feedback received from various stakeholders at different consultative meetings.

## **Scope of CAP II**

The overall aim of CAP II was to assess how successful CAP was in reaching the twin goals of empowering the poor, including women, and poverty alleviation. While CAP must be assessed in its proper historical and policy context (see Chapter Two), for logistics reasons this evaluation focuses particularly on developments since 1987. This enables us to evaluate the progress made by CAP during the time Sida was the primary donor. This covers the period during which the geographical and population coverage of CAP rapidly expanded and poverty alleviation became an explicit objective.

In particular this evaluation focuses on the mobilisation of the poor through a group process that worked up from small groups formed through CAP interventions.

CAP's achievements are assessed both in relation to GoSL's objectives of poverty alleviation and Sida's overriding developmental objectives, with the emphasis on poverty reduction, gender equality and strengthening democratic processes at all levels.

## **Objectives of CAP II**

The key objectives of CAP II as spelled out in the TOR (see Annex 2) are as follows:

- To assess the relevance, effectiveness, impact and sustainability of CAP.
- To determine the manner in which and the extent to which the methodology of CAP, especially the social mobilisation process, contributed to the observed results.
- To recommend possible courses of action for the future of CAP.

## **Challenges encountered**

Evaluating CAP is a formidable and challenging task in view of its long life span (over 20 years), the absence of any reliable baseline or monitoring information, and the 'process' rather than programmatic character. The results of a baseline survey conducted in 1985 (Gunatilake 1985) are not useful for our purposes in view of certain important changes in the direction of the programme in subsequent years, changes in field locations, and questions about validity and reliability of the data generated by this baseline survey. A marked tendency among some of the leaders and associates of the CAP programme to ignore certain outcomes and highlight others which are in keeping with their idealistic expectations must also be seen as a factor that hinders an objective assessment of the strengths and weaknesses of the programme.

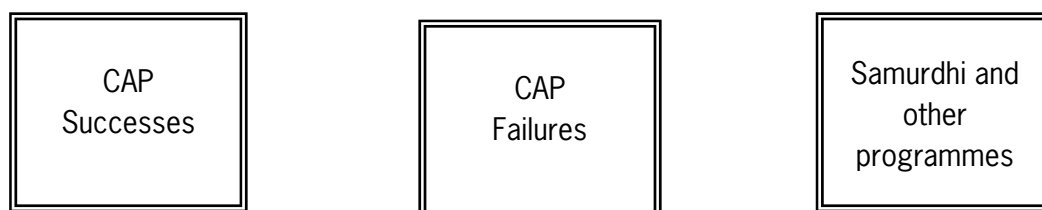
## **Methodology of CAP II**

The CAP I results were derived from a preliminary desk study of available documentation in addition to information gained through interviews with different types stakeholders, including a number of members of small groups. CAP II involved a more comprehensive literature survey, more extensive fieldwork, and consultations with beneficiaries and other stakeholders. A combination of qualitative and quantitative methods was used in order to assess the effect, impacts and sustainability of CAP and to determine the factors/ processes associated with the success or failure of CAP activities.

The field investigation was designed to facilitate a three-way comparison as follows:

In the selected field sites CAP operations were compared to others from Samurdhi and other projects seeking to achieve poverty alleviation via participatory rural development in order to determine the similarities and differences in approach and related differences in outcomes. Similarly, ongoing groups processes initiated by CAP were compared with local CAP groups that have collapsed within the past few years in order to determine any differences in approach and differences in target populations, etc. that may explain the different outcomes. As many of the previous evaluations of CAP have concentrated on the experiences of ongoing CAP operations and neglected CAP activities that failed, it has not been possible to arrive at a realistic assessment of the programme in general (a fact also pointed out in some of the previous evaluations (Lindahl et al. 1991). Some reviewers have also noted a tendency within the programme to highlight the

achievements of certain obviously successful cases while neglecting the failures, which are just as common (e.g. Dainis and Karunaratna 2001, Pathirana and Ekanayake 1999). This, in turn, has made it difficult to arrive at a realistic assessment of the strengths and weaknesses of the approach being pursued.



The field survey covered 11 Prajashakti Organisations out of a total of 53 registered with the Prajashakti Maha Sangamaya (PSMS) national federation as of May 2001. The study units were selected on the basis of geographical, socio-economic and programme characteristics. Details of the selected study units are given in Table 1 (see Statistical Tables in Annex 1).

In each study area the following procedures were carried out:

1. From each Prajashakti Organisation (PO) selected basic information about membership, funds and activities was collected from the principal office bearers.
2. Two villages (one where CAP is active and one where it is less active) were selected from each PO for detailed field investigations.
3. Case histories were recorded of CAP and related group processes in each of the study villages.
4. A sample survey covering four types of households (those currently active in CAP, those currently enrolled but not active in CAP, those that dropped out of CAP, and those who are poor but have never been involved in CAP). The survey covered a total of 342 households in five provinces (see Table 2). The survey was carried out by a team of 13 field investigators (five men and eight women, all sociology graduates) under the supervision of the members of the evaluation team.

## Selection of the sample

The 11 Prajashakti Organisations covered by the study were chosen from a list of 53 POs taking into consideration geographical location, duration of the programme in each area, level of activity of the organisation as assessed by the national federation of POs and reported level of organisational maturity. In selecting the study POs maximum care was taken to represent all possible variation.

From each PO chosen for the study a list of all villages covered by the PO was obtained and out of these two villages were chosen. In selecting the villages their distance from the PO office, reported level of activity, duration of the programme, socio-economic characteristics and presence or absence of other relevant development programmes were considered.

From each study village about 15 households were chosen for a household survey. Out of the 15 households five were chosen from among households currently active in CAP, and another five from among households that are currently served by the Samurdhi Programme or a non-government programme catering to low-income households such as Sarvodaya or SANASA. The

remaining five households were chosen from among households that had either dropped out of CAP or become inactive while still enrolled. The field supervisor advised each investigator to contact a specified number of households from each category and from different household clusters in a village.

We opted for this procedure instead of a truly random one because of the limited time available and the real possibility that a simple random sample of households of the magnitude we had in mind (about 300 households) would contain only a limited number of CAP households, making it difficult to assess the impact of CAP. It can be expected that the procedure we followed led to an over-sampling of CAP households but that was the only way to measure the impact of CAP from a household survey. Selecting some non-CAP and ex-CAP households may have offset the over-sampling to some extent but we do not claim that it was totally eliminated. In interpreting the results of the household survey one has to bear in mind the possible overrepresentation of CAP households in the sample used.

## 2 Evolution of the Change Agent Programme

This chapter examines the social, economic and cultural context from which CAP emerged in 1978 and the changes the programme underwent during its nearly 23 years of development up until 2001. There are two ways of interpreting CAP's changes. One is to recognise that the original formula of conscientising the poor with a view to harnessing their collective energies to overcome their existing disadvantages in production/exchange relations is the essence of CAP methodology, and see any subsequent deviations from this ideal as dilutions or even distortions of the programme. This is typically the view held by some of the CAP activists and ideologues that were closely associated with the programme during its formative stage (Sisira Amarasinghe, personal communication) as well as some outside observers (Lindahl et al. 1991). This view certainly has some validity in that the relative emphasis given to social mobilisation, the key element of the original CAP methodology, has progressively declined over time. This approach does tend to be ideologically charged and dogmatic, however, in so far as it has fixed and largely unverified views about the nature of rural society and possible ways of overcoming problems there.

The other way of looking at it, is that the changes in CAP were necessary and even creative adjustments of the orientation and strategies of the programme, in line with pragmatic considerations and responding to an array of internal and external pressures. From this point of view the malleability and adaptability of the CAP methodology may be one of its real strengths and one of the reasons the programme has been so long-lived, despite the many changes in direction and environment. While also being sensitive to the first approach, in the present analysis we are more inclined to take the second.

As is already known, between 1978 and 2001 CAP did not evolve according to a set plan, but underwent profound but implicit change, largely in response to changes in project administration and dynamic changes in the project environment. It is difficult to identify clear stages in its progress up until now, but for the purposes of our current analysis four stages of development can be identified:

1. Formative stage: 1978–84. This is the period in which the CAP approach was crystallised as a distinctive and local approach to rural development/poverty alleviation.
2. Period of uneven growth: 1985–89. In this period CAP “drifted” in different directions, depending on who was steering the programme at the top (Ratnaweera 1990).
3. Period of rapid expansion: 1990–94. This period saw a rapid expansion of the CAP programme and rapid dissemination of the social mobilisation process via other programmes being implemented by government and non-government agencies.
4. Development of Prajashakti Organisations, which evolved from CAP as autonomous agencies: 1995–2001. In this period CAP changed from a government-run programme to one managed by federated CAP groups at various levels with RDTRI facilitating the process.

We discuss below important developments in the programme in each period.

## **Social mobilisation approach as it evolved in CAP's formative period**

In 1978 CAP was initiated by a group of highly respected South Asian intellectuals associated with the rural development field. Locally they were responding to the failure of conventional development approaches to bring about expected changes in rural society. According to the project documents, the idea of CAP evolved from a brainstorming workshop held in April 1978 and attended by rural development workers and resource people, including Mr G.V.S. de Silva, Dr Ponna Wignaraja and Dr Niranjan Metha (SLIDA 1981). The CAP idea was also inspired by both the work of Paulo Freire (1970) relating to the potential of conscientisation to mobilise the poor and the experiences of experimental projects already employing that approach in other countries in South Asia (Wignaraja 1991). Initially CAP was implemented as an action research project under the RDTRI. It involved training a cadre of development workers (trainers) who were expected to do two things: stimulate the formation of small groups at the village level; and instigate awareness of the prevailing situation, reasons for people's poverty, the oppressive socio-economic structures that perpetuate their poverty, and the means to overcome these prevailing conditions through self-reliance and appropriate collective action among the poor. The aim of the action research, which was to be carried out mainly by the Rural Development Research Council, an arm of RDTRI, was to validate and refine the methodologies used and examine their effectiveness in bringing down poverty levels.

The initial experiment was carried out by a group of 15 core-trainers assigned to four selected locations in central, western, northwestern, and southern Sri Lanka. In each of these locations a central village was chosen, and it was expected that once successfully established in the central village the programme would gradually spread to surrounding villages, also called "satellite villages" in the CAP literature. In essence, each location was a cluster of villages where the mobilisation process has been initiated. To facilitate the expansion and institutionalisation of the programme the core-trainers were also required to identify and train change agents and volunteers, who were usually recruited from within the relevant villages. Once the process was successfully institutionalised in the villages covered, the external catalyst was expected to move out and replicate the process in a new setting. As the initial pilot intervention in four selected locations proved successful and workable, a more ambitious programme was formulated in 1982. The plan was to gradually increase the number of trainers, change agents, and volunteers to cover the entire country at a future date. However, because of funding and other logistic difficulties – and the increasing drop-out rate among various categories of animators – expansion was always below the expectations of the programme administrators. At the same time there were notable achievements in initiating an effective group process among the poor in several locations, and this gave rise to a renewed confidence in the methodology on the part of programme administrators and CAP workers. In time CAP provided a powerful model of social mobilisation for various other government and non-government development/poverty alleviation programmes too. Based on the experience in this formative period some distillations of the animation methodology were disseminated internationally (Dainis 1998, Wignaraja 1991, Tilakaratne 1987).

Several of the methodology's most distinctive features were developed in this formative period.

First, there is a catalytic intervention from outside which aims to mobilise the rural poor to address their common problems.

Second, through both the recruitment and training of change agents and volunteers from within the relevant villages and the formation of small groups, efforts are made to help internalise the catalytic process.

Third a process of “social probing” is initiated among the target populations to raise their awareness of the disadvantages they suffer in the existing social and economic relations.

Fourth, this social probing is expected to sensitise rural producers and consumers about the mechanisms through which they are exploited by various middlemen who are firmly in control of the supply of consumer goods, credit, inputs and marketing channels for various rural products.

Fifth, this awareness is expected to lead to collective action among the poor, such as group saving, group lending, or bulk purchases of consumer goods, which in turn is likely to remove the monopolistic control over rural production and exchange processes on the part of these middlemen.

Finally, in keeping with the robust sense of self-reliance that the programme was trying to foster among the rural poor and the goal of weaning them away from “the dependency syndrome”, the programme avoided giving “handouts”. In effect, CAP was a pure social mobilisation programme, devoid of the handouts characteristic of many other poverty alleviation programmes.

Overall, these features made the methodology unique and the programme a definite improvement over conventional rural development or anti-poverty programmes. However, several drawbacks were also evident in the early phase. For one, the actual spread of the programme during this period was extremely slow (SLIDA 1981). Not only did the process of awareness-raising take time, but the training of trainers and change agents took even longer. Between 1978 and 1984, only 400 change agents were trained (Perera undated). As revealed by the Baseline Survey conducted in 1985, CAP covered 37 locations in 16 districts in Sri Lanka, with a cadre of 66 trainers and nearly 500 change agents (Gunatilake 1985). A related weakness was the high dropout rate among the trainers and change agents. For instance, while a total of 157 trainers were trained between 1978 and 1983, only 86 (54.8 per cent) of them remained in the programme as of 1983. This, in turn, reflected the difficulties the mobilisers experienced both in translating CAP ideology into practice and coping with the insecurity about the future of the programme (Gunatilake 1985, SLIDA 1981). The programme did successfully mobilise certain production groups, such as tea smallholders and minor-export producers in Yatinuwara, coconut producers in Minuwangoda, and coir yarn producers in Hikkaduwa. The emphasis on the disadvantages of the small producers vis-à-vis middlemen in production and exchange relations that came out in the social probing apparently helped the programme to address the economic base of rural society. For the first time in development practice in Sri Lanka the village was seen not so much as a harmonious entity but as an internally stratified social unit where contradictions between a privileged elite and impoverished rural masses prevailed.

According to CAP records of the period certain production groups, such as coir workers in Hikkaduwa, made substantial inroads into reducing the undue profits made by the monopolistic traders upon whom they were highly dependent in the past (SLIDA 1981). The exploitative role of the middlemen tended to be overemphasized in the CAP ideology, however, to the neglect of any consideration of the positive role played by them in rural production processes, their subordination to still higher agents in exchange relations, and a realistic assessment of other possible constraints faced by the small producers, including technological problems, productivity issues, and lack of market information. Also the process of social probing was inadequately concerned with the ways in which any inefficiencies in small-scale production and some inappropriate expenditure patterns of the poor themselves may be at least partly responsible for their poverty.

In some areas the CAP interventions led to a degree of tension between middlemen and CAP members. The process of social probing also led to increased mistrust between CAP members and government officials as reported in some of the evaluations (Lindahl 1991, Ratnaweera 1991,

1990). While this too may be seen as a natural outcome of the increased bargaining power of the rural poor and the new demands made by them on government extension workers following their increased mobilisation, in some instances the resulting tensions had the effect of further alienating the rural poor from vital state supplies (Ratnaweera 1990). Some producer groups were not encouraged to save in or borrow from banks on the assumption that this would eventually result in the flight of capital from the poor to the non-poor (Ratnaweera 1990). It has to be noted here that the mobilisation of the rural poor and the associated process of social probing were by no means problematic in themselves. The problems resulted from the rather limited and ideologically fixed manner in which these concepts were sometimes applied in the field, despite the potentially path-breaking action research framework within which the programme had operated in the formative period.

## **Uneven progress of CAP from 1985 to 1989**

Between 1985 and 1989 the programme improved considerably with respect to donor assistance, putting management systems in place, and diversifying activities, but some of the problems that had begun earlier became more serious, such as conflicts among programme staff and the high dropout rate of mobilisers. CARE International started supporting the programme in 1984 and Sida added its support in 1987. These funds were used to improve the quality of the training of mobilisers, pay the salaries and allowances of mobilisers, improve facilities in RDTRI, and develop management and monitoring mechanisms with the help of external consultants. Management and monitoring of the programme improved in part due to technical assistance received from CARE International. These changes were resisted by some of the core-trainers, however, who saw them as a move to bureaucratise what was originally a people-centred participatory programme. In this period responsibility for RDTRI was transferred from one ministry to another more than once, resulting in rapid turnover of top-level decision-makers. While there was no ostensible change in the original concept of social mobilisation, it gradually lost some of its ideological overtones. Referring to changes in the programme in the period under review, one observer noted, “Greater emphasis was placed on management to achieve results than on obtaining and philosophising on concepts of the programme. The use of conceptual confusion as a camouflage to provide excuses for inadequate performance was not tolerated any more” (Ratnaweera 1990:10).

By 1987 programme coverage increased to 73 locations (village clusters) in 13 districts and there were 73 full-time trainers (Abyegunawardana 1987:14). The field programme, however, suffered heavily when the Department of Rural Development withdrew 57 trainers. Added to this were the problems caused by the JVP insurrection in southern Sri Lanka, which continued until 1989. As a result of these adverse influences many small groups gradually disintegrated while the more stable ones with considerable funds at their disposal continued in some form. Signalling a further development, from the mid-1980s, RDTRI was increasingly called upon to assist the social mobilisation efforts of other rural-based programmes such as IRDPs and later the Janasaviya Programme (Sirivardana 1998).

## **Rapid expansion of CAP from 1990 to 1994**

In 1990 RDTRI embarked upon a reorganisation and expansion of CAP, partly inspired by new high-profile national poverty alleviation programmes such as the Janasaviya Programme, which began in 1989. Reorganisation involved changes in the pattern of recruitment and the training of

mobilisers, as well as moves to facilitate the federation of CAP small groups into higher level organisations.

For many years there were discussions about how to scale up CAP (Abeygunawardana 1987). By 1990 the village cluster method of operation had been abandoned in favour of the Assistant Government Agent (AGA) model. Under the original social mobilisation model, core trainers were entrusted with the task of initiating the process of mobilisation in village clusters in collaboration with change agents and volunteers selected from within the local communities. In contrast, under the AGA model 25 to 30 volunteers were selected from each AGA division through local administrative officials, given rapid training in RDTRI training centres, and then were required to initiate the social mobilisation processes in their respective areas under the supervision of one senior trainer per AGA division. This development paralleled the nationwide social mobilisation programme initiated under the Janasaviya Programme (Sirivardana 1998). By 1991, 20 AGA divisions in six districts were covered by CAP with a cadre of about 500 volunteers. The volunteers, who included government servants such as schoolteachers, community leaders, and social activists, were paid a modest allowance for their services under the CAP programme. While there was no stated change in the concept of mobilisation used in this period, the process was much abbreviated and each mobiliser was expected to achieve certain targets in respect of number of small groups formed, volume of group funds generated, and overall coverage of the programme in their respective areas. This certainly led to increased coverage of the programme but the quality of social mobilisation suffered, as no deep social probing was possible given the limited skills and time constraints of the new mobilisers. Despite this “softening of CAP methodology”, some continuing elements of the original CAP doctrine such as emphasis on self-reliance and mutual help among the poor and the articulation of collective interests among programme participants signified some continuity in the approach.

Moves to federate small groups (primary organisations) into village-level secondary organisations and AGA division-level tertiary organisations have been in progress since 1992 or so. This, in turn, facilitated the type of collective action that was too big for small groups to undertake on their own, such as road building or bargaining with service organisations at a higher level. This was also seen as a move towards facilitating participatory self-management of organisations involving the mobilised rural poor.

## **Transfer of responsibility for CAP activities to newly formed NGOs – 1995 to 2001**

Arrangements were made in the early 1990s to develop autonomous organisations from among CAP members in preparation for the termination of Sida funding for the programme in 1998. The primary responsibility for continuing the CAP process has gradually been transferred from the RDTRI to both the Prajashakti Organisations (PO) created at the AGA division level and the national federation of POs, Prajashakti Maha Sangamaya (PMS). The POs have become primarily financial institutions with funds raised from member savings, membership fees, and funds obtained from donors for lending on to the rural poor. As external funding for CAP ran out, allowances for CAP workers had to be stopped or reduced. This, in turn, reduced the external supervision or monitoring of the programme, which led to the gradual disintegration of some of the CAP groups. Since then the new organisational structure, which is steered mainly by local POs, has gradually consolidated the group process. As of 1998 there were 64 POs. By 2001 that had dropped to 53, but the group process remained largely intact in the more active POs, once again demonstrating a degree of resilience on the part of CAP groups. This resilience is an important proof of the strength and effectiveness of the CAP methodology.

## Long-term trends in CAP

Despite “many shifts and turns” and the fluctuation of circumstances in CAP between 1978 and 2001, some important trends in its approach and outcome were observed.

First, the programme has gradually but imperceptibly shed its strong ideological overtones, such as the conflict model and the emphasis on altering production relations, in favour of a more pragmatic approach which seeks to identify and take advantage of new opportunities for the poor. This is reflected in the increased emphasis on savings and credit operations, income-generating activities, social and cultural activities, health and sanitation, and the like. To the extent it is still practiced, social probing is no longer informed by a limited and one-sided conflict model where the middleman is invariably portrayed as the villain. While some aspects of the original CAP ideology have survived, particularly among the long-standing CAP activists, such ideas no longer constrain the actual operations of CAP groups.

Second, the CAP approach, which originally evolved within a closed economy framework as applied to relatively isolated village communities, has gradually and again imperceptibly adapted itself to at least some aspects of the economic liberalisation framework. This is reflected in the promotion of small enterprise and in the efforts of some CAP groups to link up with the private sector, such as in cashew processing in Minuwangoda and coir yarn manufacture in the south. Also the voluntary exclusion from formal financial institutions such as commercial banks that was evident in some of the early CAP ideology and practice has gradually disappeared. On the whole, while there may be certain as yet unresolved contradictions between the social mobilisation methodology and market-led growth, as was pointed out by observers such as Lakshman (1994) and Gunatilaka (1996), changes in CAP methodology indicate a growing tendency to resolve such contradictions.

Third, despite various changes in the direction of the programme over time, the emphasis on the group process among the poor as initiated by trained mobilisers from outside has remained a primary, if not the most important, strategy pursued in CAP. Side by side with the building of group funds among the poor, economic and social mobilisation has been pursued as a strategy for overcoming their inherent disadvantages within local, regional, national or even global markets and related economic and social structures. The project has also built organisational structures among the poor, from the small group level right up to the national level. It must be pointed out here that consciously or unconsciously CAP managed to steer clear of the efforts by Janasaviya and subsequent Samurdhi programmes to mobilise the poor along party political lines. The result is that, in contrast to Janasaviya and many other state-sponsored development initiatives, CAP survived the change of political regimes in Sri Lanka in 1994. From this point of view CAP's methodology can be described as socio-economic rather than strictly political. The methodology mobilises the poor primarily for collective action in spheres of economic cooperation and social interaction, inclusive of collective bargaining.

Finally, one of the most prominent secular trends in CAP small groups over the years has been the increased participation of women in the programme. There is clear evidence that the female participation in the programme has increased dramatically. In the formative period, male and female participation were about equal. The Baseline Survey conducted in 1985 revealed that 51.9 per cent of the members of producer groups were women and 48.1 per cent were men (Gunatilake 1985). In 1995, 68 per cent were women (Jayaweera and Dias 1996:15). This study found that in 2001, over 90 per cent of small group members were women. We will discuss the implications of this trend later.

### 3 Organisation and Effectiveness of the Programme

This chapter examines the organisation and effectiveness of the Change Agent Programme as it operated between March and July 2001. It uses information collected from various sources, including RDTRI and Prajashakti records, case histories, and household surveys to assess the effectiveness of the programme at various levels. Although CAP has not developed a set of criteria for evaluating its progress, previous evaluations have focused on the volume of group funds raised, the number of small groups formed and functioning at a given time, and the total number of members enrolled in small groups as indicators of the effectiveness of the programme. While these criteria can obviously be used to evaluate the programme, a meaningful evaluation must also examine the processes involved, the sustainability of the groups formed and activities initiated, and the long-term impact of the programme on poverty alleviation, empowerment, gender equality and the programme's other goals. This chapter assesses the effectiveness of the programme in terms of operational criteria such as activities of small groups. Chapter Four examines the impact of the programme in light of its broader social and economic goals. Chapter Five examines the sustainability and relevance of the programme.

#### Organisation of the programme

As already noted, CAP has undergone many changes during its lifetime. Here we will consider the programme as it operated in 2001. As elaborated in the previous chapter, CAP grew out of a national government intervention. By the time of this evaluation CAP was taking shape as a non-government programme operating at national, district, divisional, village and small group levels. Most people associated with the programme tend to see the small group of 5 to 10 people as the primary and most resilient cell of CAP. The main focus of this evaluation is on CAP group formation at the lowest levels, but we need first to examine briefly the overall organisational framework before we discuss the effectiveness of the base.

#### National-level federation

The RDTRI, currently located within the Ministry of Samurdhi and Rural Development, developed and administered CAP from its inception in 1978 until 1998. As donor support for CAP ended, there was an important need to transfer CAP activities to independent organisations controlled by the beneficiaries and the local-level mobilisers. With this in mind, the federation of small groups into community-level Gami Sanvidana (GS) organisations and regional-level Prajashakti Organisations (POs) has been underway since 1990. In most cases local change agents and volunteers took leadership positions in these organisations, as they had a vested interest as well as a strong personal commitment in maintaining the activities that they had initiated. This gradually relieved RDTRI of the responsibility for paying allowances to agents, and in 1998 this umbilical cord was finally cut. As the final step in making CAP an autonomous programme, in 1999 a national-level apex organisation and federation of POs, the Prajashakti Maha Sangamaya (PSMS), was created to foster and coordinate CAP activities.

As of July 2001, the Prajashakti Organisations and their newly formed national federation were directly in charge of whatever remained of CAP. RDTRI continued to provide some indirect support, usually in the form of training leaders of POs. RDTRI was also increasingly being called upon to transfer social mobilisation experience gained from long experience with CAP to other national-level rural development/poverty alleviation programmes such as Samurdhi.

The national federation, which is still in many ways in a formative stage, was involved in supporting POs by linking them with other support organisations (including some potential new donors), training PO staff in new management responsibilities, and monitoring the progress made by POs.

### **District-level federations**

It is anticipated that a district-level federation of POs in each district will serve as a link between the national-level Maha Sangamaya and individual POs. These intermediate federations are also expected to represent CAP and Prajashakti interests vis-à-vis other parallel agencies at the district level. As of May 2001, district-level federations had been established in several districts, but they appeared to be less active compared to the lower level organisations.

### **Prajashakti Organisations**

In many ways Prajashakti Organisations (POs) at the divisional level (typically sub-district level) have taken on the key responsibility of continuing CAP in the respective areas. First and foremost POs have evolved as financial institutions catering to the banking needs of the rural poor. Most POs have received some seed money (typically a lump sum payment of Rs.25,000) from the PSMS to initiate their credit programmes for the members of small groups. The savings of small group members have become the POs' primary source of funds. In addition, the more successful POs have been able to get funds from a range of outside agencies including the Sri Lanka – Canada Development Fund (SLCDF) to lend-on to the rural poor at higher rates of interests. Some POs are in fact called banking societies in the style of Janashakti Banks in Hambantota (Prajashakti being similar to Janashakti in its literal meaning, both referring to “people power”). Just like Janashakti banking societies (Leelasena and Dhammika 1996, Hewavitharana 1995), the more active POs often have a broader development agenda, inclusive of training, development assistance, technical support, exploring markets for members' products, and exploring funding support for activities catering to the rural poor in general.

As of July 2001, a total of 53 POs operated under the PSMS Federation. The federation had developed a scheme for classifying POs on the basis of their level of activity determined according to size of membership, volume of group funds raised, and continuity of operations. The resulting data is given in Table 4.

Of the 53 POs currently in operation only nine were reported to be active and financially sound, suggesting that only a minority of these organisations has reached a satisfactory level of organisational maturity and operational diversity at the time of this evaluation. These more successful organisations have gradually improved their funding base by increasing group funds and successfully tapping new donor funds. Exceptionally dynamic and committed leadership often characterised these organisations. In terms of the number of POs currently in operation, Southern Province has the most, followed by Uva, North-Western Province, Central Province and Western Province. The POs in the Southern Province are also the most active. The regional variation in the success rate of POs may reflect differences in the nature of leadership, regional differences in level of social and political mobilisation of the rural poor, and competition from rival organisations in different locations. In an earlier evaluation it was suggested that compared to the more urbanised and politically more articulate south-western coastal belt, CAP has often been less successful in regions where large-scale state-sponsored development programmes (such as irrigation development) have created a high sense of dependency on state apparatus among the rural people (Lindahl 1999). Whatever the validity of this argument, it is important to note that organised grassroots-level action, such as CAP and Janashakti, appear to be more common and more vibrant in the south-western region of Sri Lanka.

As is evident from Table 5, with the exception of the CAP organisation in Habaraduwa that was formed in 1978, all the others began after 1987. The mean number of small groups and members per PO were 101 and 1180 respectively. The mean number of members per small group was 12.3. It is important to note here that one of the POs covered by the study, namely Habaraduwa, had moved towards de-emphasising the small group process in favour of the village-level Gami Sanvidanaya by the time of our field visit. This is reflected in the small number of small groups there relative to the total number of members enrolled in this PO. As will be discussed later, in trying to increase their number of savers and borrowers other POs have also sometimes tried to bypass the difficult and time-consuming process of forming small groups. This in turn means that the social mobilisation process has become less important in the drive to build up the membership of these newly formed CAP institutions.

As financial institutions POs are the newest organisations in many of the study areas. As will be elaborated in Chapter Five, POs had several limitations as financial institutions relative to other more established leading financial institutions in rural areas, including Samurdhi Banks, SANASA and Sarvodaya SEEDS. One of the major strengths of POs as distinct from all other organisations at the village level, however, was that they (POs) evolved from pre-existing small groups whose savings and membership fees were the primary source of funds for this new organisation.

### **Gami Sanvidanaya (village-level federation)**

The small groups within a given village were federated into village organisations (Gami Sanvidanaya). All members of a Gami Sanvidanaya (GS) were expected to meet once a month to discuss and plan village-level activities. Where the number of small groups in a village was too small to form a village organisation it was common for a GS to involve small groups in two or more neighbouring villages (as happened in Ibbagamuwa and Nagoda). Elsewhere, there were several active small groups side-by-side in one village so they had federated into more than one GS. For instance, in the village of Peraliya, under the Hikkaduwa PO, there were three parallel GS organisations organising common activities among the different small groups.

Typically a GS was not a registered or statutory body but an informal entity seeking to undertake collective operations that were too large for small groups to handle. For instance, where a GS was involved in savings and lending activities, small group members turned to the GS for larger loans than they could obtain from small groups (given the limited volume of savings in small groups). Where a local PO was established as a formal financial institution, however, the financial activities of the GS were usually transferred to the PO. As a result, the GS was more inclined to undertake other collective activities among the poor, including collective self-help activities such as shramadana campaigns for improving local access roads, or mobilising wider community participation in activities such as funerals affecting member households. In one instance, a particularly active GS ran a grocery store for the benefit of its members to protect them from the exorbitant prices charged by local traders. On the whole, the activity level of a GS depended on the needs and interests of local small groups on the one hand, and the extent to which the PS organisations incorporated GS into their operations on the other.

### **Small group level**

With the exception of one PO that recently opted to make the GS the primary unit in its operations, the small group is the primary cell in the CAP organisational framework. As noted earlier, in the original conception of CAP the small group was used as a means to conscientise the poor and stimulate them into much-needed action as a prerequisite for poverty alleviation and rural development in general. As a result of subsequent changes in CAP, the promotion of a programme

of saving as a routine practice among members has now become the unwritten formula for small groups. This, in turn, has largely circumscribed the activities of small groups, at times reducing their scope for collective action. However, the small group process remains one of the more resilient aspects of CAP's social mobilisation process, as reflected in the familiar resurgence of such groups following periods of relative inactivity.

The size and composition of groups varies. The household survey revealed that they ranged in size from 3 to 18 (with a mean size of 8.2). There are some male only or mixed gender groups, but small groups made up of women only are far more common. According to the household survey, of the households currently involved in CAP, 83 per cent were involved in female only groups. This is not a result of any conscious effort by CAP to mobilise rural women, but has happened because women have more time and greater inclination towards this type of social mobilisation and the small-scale savings and credit programmes currently advocated by CAP. In contrast, in the early period where the main emphasis of CAP was on altering production and marketing relations affecting rural productive operations, men were often in the forefront of CAP small groups (Gunatilake 1985). This situation changed as CAP became more and more identified with savings and credit operations, reflecting a general trend in micro-finance programmes throughout South Asia (Kottegoda 2000a, 2000b, Hewavitharana 1995, Leelasena and Dhammika 1996, Wignaraja 1990).

For identification purposes each small group has a distinctive name, whether it is named after a location, a popular local object such as a flower, or the founder of the group. Some groups have a regular leader but often there is a robust sense of egalitarianism, resulting in rotating leadership. Groups are expected to meet at least once a month if not more regularly. Each member is expected to save a fixed sum of money, for instance Rs.20 per month per member, (initially often a proverbial fistful of rice called *halmita*) to build up their collective fund, which will be used mainly for lending within the group when the needs arise. These meetings and the management of the collective savings rotate from house to house to reaffirm joint ownership of assets, social solidarity within the group, and mutual hospitality among its members. Funds raised by the group can be borrowed by members, typically at 5 per cent interest per month. The groups are expected to maintain records of savings, credit, repayment, and any joint investments (e.g. with approval of all members, loans can be given to those outside the group at higher interest rates). The build up of funds within the small groups varied, depending on their length of operation. Our field investigations revealed that it ranged from a few hundred rupees to as much as Rs.200,000 in the case of older and more successful groups. The higher the volume of funds saved in this manner, the more stable the groups tended to be.

Apart from savings and credit operations, the more active groups were engaged in a range of mutual help activities, including bulk purchase of consumer goods, labour sharing in household economic activities, mutual support at times of sickness, death and household ceremonies of one kind or another, and even mutual assistance in child rearing. Conflicts between members are resolved through the mediation of other members.

## **Trends in CAP membership**

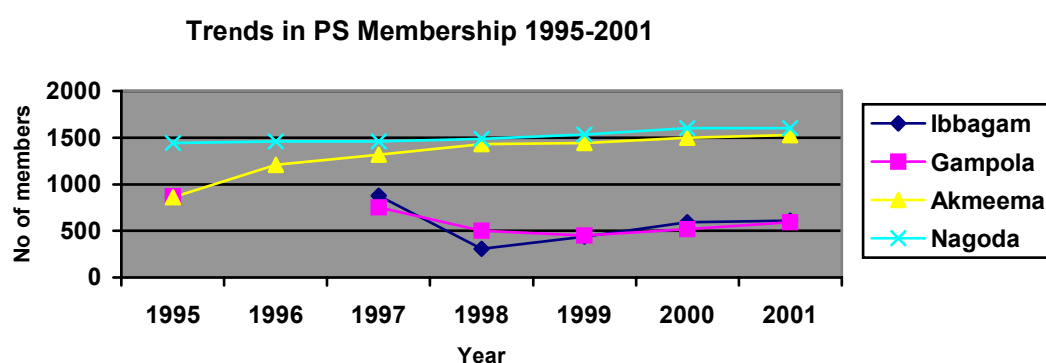
One way to assess the effectiveness of CAP is to examine trends in membership and the volume of group funds in the period under review. Information from the national federation (see Table 6) indicates that there has been a more or less consistent and rapid expansion of CAP in terms of the number of small groups, membership, and volume of funds collected throughout the period under review. The highest increase is recorded from 1990 onwards. A modest decrease in membership is

recorded from 1997 onwards, perhaps reflecting setbacks suffered by the programme as a result of the termination of Sida support to the programme and the transfer of programme management from the RDTRI to the newly formed NGO. However, group funds, which do not correlate directly with fluctuations in membership, show a dramatic increase particularly from 1997 onwards. It was not possible for us to validate this information in the field. Our inquiries revealed that the reliability of this information may be low since it is based on information supplied by various CAP organisations to PSMS, which did not have any means to cross check this information in the field. Inconsistencies in the number of small groups, total membership, and volume of funds raises questions about the validity of the official information. It is quite possible that the POs tended to over-report membership and volume of funds in order to qualify for grants or loans from the national-level federation.

We did obtain information from POs covered by the study about trends in membership in the respective organisations, and this information base was also unreliable in some instances. Figure 1 presents information from four POs where we did manage to get the relevant information.

### Trends in membership at PO Level

Figure 1 presents information about trends in membership in selected POs.



*Source: PO records and interviews with PO staff*

While some POs (for instance, Akmeemana and Nagoda) report a consistent rise in membership in CAP small groups over the 1995 to 2001 period, others show a fluctuating trend with a marked decrease in membership from 1997 to 1999 and a subsequent trend towards stabilisation of membership in 2000–2001.

In order to illustrate the processes involved, we present below case histories of two POs. It must be noted here that according to the evaluation scheme developed by the Maha Sangamaya, both the POs under review are classified as moderately successful ones.

**Case 1: Nagoda Sahabagitwa Sanvardana Padanama (Galle District)**

CAP was introduced to the area in 1989 by a core trainer from RDTRI. Initially CAP activities were limited to six Grama Niladhari Divisions (GND). By 1990 the programme had become inactive in most villages because of limited follow up by the trainer. Another trainer from RDTRI revived the programme later that year. In 1992 25 volunteers representing 25 GNDs were trained by RDTRI in a nationwide effort to expand CAP activities. As a result of their efforts, group building started in all the 25 GN Divisions. In 1993 the PO was formed with considerable support from divisional level government officials. The Nagoda Divisional Secretary's Office provided office space for the PO. By 2001 CAP continued to have a presence in 22 out of the 25 GN divisions where it had been introduced in 1992. Of these programmes 15 GNDs were described as active by the PO staff, which numbered two full timers and 12 volunteers. The membership had increased from 940 distributed in 68 small groups in 1993 to 1600 distributed in 189 small groups in 2001. There was some inconsistency in the reported data, however, as it showed a consistent increase in membership despite a reported reduction in the number of divisions covered since 1992. In 2000 the total financial assets in the organisation were Rs.0.8 million. The total value of credit issued in the same year was Rs.1.6 million. In addition to the funds raised from membership fees and savings, the PO had received funds from the Maha Sangamaya (Rs.25,000) and SLCDF (Rs.350,000). The wages and allowances of the workers were paid from an estimated Rs.30,000 monthly interest received against the loans issued.

The organisation was involved in the purchase of tea leaves from PO members (who were tea smallholders) for supply to a local tea factory. To transport the tea leaves the organisation had recently purchased a vehicle. This trade was seen as a means to liberate the tea smallholders from the tight grip of private tea collectors. The organisation had been instrumental in disseminating improved practices in tea cultivation among the local tea growers. The organisation also supplied fertiliser and credit to tea growers, thus enabling them to improve their farming practices.

The CAP programme in the area had experienced many ups and downs, influenced by the interests of the small groups, commitment of mobilisers, competition from other programmes, and external support available for the process.

**Case 2: Udapalatha Prajashakti Sanwardana Padanama (Kandy District)**

CAP started in Udapalatha in 1990 under the leadership of two trainers from RDTRI. It was implemented in only three GNDs in Udapalatha. In 1992 the programme was extended to 29 GNDs under the RDTRI-initiated scheme for scaling up the programme. The Udapalatha PO was formed in 1995 in keeping with trends in the programme as a whole. With the end of external funding for the programme, coverage declined markedly in the years that followed. The number of GNDs covered decreased from 29 in 1992 to 11 in 2001. There was a corresponding decrease in membership from 873 in 1995 to 450 in 1999. The factors that contributed to the decrease included the departure of some trained volunteers from the programme once allowances paid to them were stopped, disillusionment among CAP members, in some instances financial irregularities among office-bearers of CAP organisations, and competition from other programmes such as the Samurdhi Programme. By 2001 the programme had recovered to some extent, as is evident from an increase in membership from 450 in 1999 to 590 in 2001.

By 2001, thanks to the initiatives taken by its leaders, the PO had successfully secured funding from several outside agencies, including PSMS, NDTF, SLCDF, World View International, and the Ministry of Environment. Apart from savings and credit operations, the PO was involved in a variety of activities including environmental action, child rights, and health and sanitation.

As of 2000 the financial assets in the organisation amounted to Rs.245,000 consisting of Rs.113,000 constituting funds received from outside organisations, Rs.112,000 membership fees paid by small groups, and Rs.20,000 deposits by individual members and small groups.

These two cases illustrate some important points about the pattern of development of CAP since 1987.

First, instead of a consistent progress or consistent decline, CAP activities in the two areas experienced many ebbs and flows in the period under review.

Second, while CAP activities declined considerably because of shifts in management and the termination of Sida funds in the 1990s, the programme was somewhat stabilised by 2001.

Third, this stabilisation may be at least partly attributable to the ability of the respective POs to successfully secure funds from new donors, but this also reflects a degree of dynamism on the part of PO leaders and a degree of success in retaining/building group funds in the interim period. Even though one can argue that injection of external funds from time to time has been a key factor in the resuscitation of the programme, this cannot be seen as the only factor in the persistence of the group process. While many small groups have fallen by the wayside, some have remained resilient so that the programme was able to bounce back once conditions became favorable. This in turn makes it necessary for us to examine the small group process more closely.

## The small group process

Some aspects of the actual operation of the small group process can be assessed by examining actual cases of selected locations.

### Case 3: Example of a Successful CAP Small Group

The Peraliya Small Group was considered one of the more successful in Peraliya GS in the Hikkaduwa PO of Galle District. This all-female small group consisted of 10 members. In the coastal village of Peraliya most men were engaged in fishing while most women from poorer families were engaged in coir yarn making. The group was formed in 1992 under the influence of a change agent from a nearby village.

One member of the group, Pathma, was considered its leader. Of the 10 women in the group, three were related in some way. The others knew each other as neighbours. They were all engaged in coir work, a cottage industry practiced exclusively by women. Asked why they came together as a group, Pathma mentioned that relieving the credit burden of members and promoting social harmony and awareness among women were the main objectives of the group process. Depending on patterns of mutual trust, the participants voluntarily selected the groups they wanted to join. In the village of Peraliya, 105 women formed 13 small groups and three GS organisations. The local change agents spent a long time with each of the groups to help them identify their common problems and jointly work towards their solutions.

At the beginning each member of the Peraliya group saved Rs.2 per week in the group fund. Later it rose to Rs.5 per week and finally to Rs.10. In the early phase they also collected a measure of rice from each member household every week to create a group fund to bulk buy rice for the group during the New Year period, but by 2001 this practice of rice collection had stopped. The accumulated savings of the group as of 2001 was Rs.35,000. This accumulated group fund enhanced the sense of common interest and was often mentioned as an index of solidarity within the group. The funds generated by the group had been used to lend money to group members at the rate of 5 per cent interest per month, and to known outsiders at the rate of 10 per cent interest per month. The members were paid 2 per cent interest per month for their savings. The group leader maintained systematic records of savings, lending, interest payments and any other financial operations. The group had paid membership fees of the local GS, and some members of the group had saved money in the GS, but they had not borrowed any money from the GS or PO, opting to rely on their own financial resources.

#### **Case 4: Example of a Successful Samurdhi Small Group**

In the village of Pahala Madelgamuwa, in Gampaha District, the local Samurdhi society consisted of five small groups each with five members. The group process started in 1999 under the guidance and direction of the local Samurdhi Niyamaka (mobiliser). As each group had been recruited by a leader identified by the Niyamaka largely on the basis of his contacts in the village, each group was typically named after its leader. Rupika's group had five female members in all. Even though the male head of the household was typically listed as the recipient of Samurdhi awards, the small group process involved their spouses as the men had limited time to participate because of the nature of their work. It was compulsory for Samurdhi beneficiaries to form themselves into small groups. Rupika recruited her group from among Samurdhi beneficiaries known to her, including two of her relatives and two others who were not immediate neighbours.

Each Samurdhi small group was required to meet once a fortnight, save a specified amount of money, and discuss common problems affecting them. At the beginning each member was expected to save Rs.10 per month. Later this amount was increased to Rs.20 and as of 2001 it was Rs.50 per month. In keeping with the Samurdhi regulations, the savings were deposited in the local Samurdhi bank. As of May 2001, Rupika's group had saved Rs.3277. Once the total group savings exceeded Rs.1250, the members were entitled to credit from the Samurdhi bank against their savings. The maximum loan size was Rs.5000. Each loan had to be approved by the entire group membership. In Rupika's group, members had obtained credit for housing improvement and self-employment, cashew processing being one of the leading occupations in the area. Some people who were not Samurdhi beneficiaries also joined local groups in order to qualify for loans. The regulations governing savings and credit operations were much more standardised and much more strictly enforced than in the POs.

The Samurdhi small group process was more 'directed' than the CAP process. The Samurdhi Niyamakas put pressure on the small groups to meet regularly, save the required amount of money, and contribute labour for community projects. However, there were instances of labour sharing within the small groups on their own accord. For instance, all the members of Rupika's group helped each other to clean their home gardens as part of a public campaign against dengue fever. There were also religious activities organised by the local Samurdhi Society with the participation of all Samurdhi groups in the area. In order to promote self-employment among Samurdhi beneficiaries many kinds of training programmes had been implemented, including carpentry, sewing, floriculture, and mushroom cultivation. Samurdhi small groups were also used as a delivery mechanism to distribute various services offered by government departments to promote self-employment and micro-enterprise among rural households. The actual progress in establishing viable income-generating activities was rather limited.

The Samurdhi small groups were also involved in various awareness raising campaigns initiated by government agencies, including prevention of alcohol and drug abuse, rational use of household incomes, and prevention of domestic violence. The impact of these programmes had not been assessed.

There are obvious similarities in the small group processes of the CAP and Samurdhi programmes, including the promotion of group savings and improved access to credit, mutual-help and social integration activities, as well as high female participation. There are some key differences in the social mobilisation approach, however.

First, in Samurdhi the group process has been introduced from above, typically as an adjunct to Samurdhi banks. In contrast, in CAP the formation of small groups gradually paved the way for the creation of higher level organisations to provide financial services for the poor, including POs.

Second, by comparison to the CAP groups that are formed and operated by the members according to their own wishes, the Samurdhi small groups are far more steered and directed by the Samurdhi Niyamakas, in keeping with targets set by the centrally administered programme. As will be elaborated later, many rural households who were involved in both programmes often said that they had greater faith in and they were more committed to CAP groups.

#### **Case 5: A CAP Small Group that Became less Active over the Years**

C Group in Weli Oya is one of the small groups formed under the PRDP in the North Central Province. PRDP was a special project supported by Sida where a version of the CAP methodology has been used. One of the special features of this project was the large-scale and rapid recruitment and training of mobilisers who were paid a special monthly allowance. C Group was formed in 1994 with eight members – three men and five women. By 2001 the group contained four women only. Interestingly, the reduced small group contained a married woman named Sagarika (who was the leader of the group), her sister, her mother, and her mother-in-law. The four members lived in four separate households but were in close contact with each other. Even among the remaining four members one was reported to be less active as of May 2001. Before the break up of the group that occurred in March 2001, the group fund amounted to Rs.9000. As of May 2001 it had shrunk to a mere Rs.1000, kept by Sagarika. According to her, some of the male members of the group left when they got jobs outside of the village. Also, some members found it difficult to contribute the agreed weekly or fortnightly payment for the group savings scheme because of their poverty and lack of regular income. Further, the mobilisers responsible for local group formation left the project when their allowances was terminated and responsibility for maintaining the group process had now been shifted to the newly formed PO. This was seen as another factor contributing to the weakening of small groups in the area.

The CAP small groups in the area had been quite active in 1995–96. At that time, in addition to regular meetings, group savings and credit operations, labour sharing among members, as well as bulk purchasing of commodities, were a common occurrence. Sagarika emphasised that even though the group had become smaller it continued with regular meetings and savings and credit operations and participated in village-wide activities like shramadana work which was organised collectively by all the remaining small groups in the area. She also noted that the current activities presented no special problems as the remaining members were all part of the same family. Even though the number and scale of operations had obviously decreased with the decrease in size of the group, some rudimentary activities like fortnightly savings and lending continued among this core of relatives. While the group process has obviously become weaker because of internal and external pressures, the ability of the groups to survive in a rudimentary manner indicates a degree of resilience in the group process.

Third, in view of the centrally administered and supervised nature of the Samurdhi programme, financial systems tended to be better organised and more in keeping with a standardised system.

Finally, the Samurdhi organisations were widely used as part of the state delivery mechanism for the distribution of resources to the rural poor. This, in turn, had implications for creating or enhancing dependency. In contrast, the emphasis on self-reliance was much more pronounced in CAP, even though this tendency has been somewhat weakened by the increased importance of access to credit as an incentive for joining.

### **Case 6: Disintegration of the CAP Group Process**

Telwatta is a village adjoining Peraliya (see Case Study 3). Both villages are under the same PO. While the CAP group process has been fairly successful in Peraliya, in Telwatta it was more or less defunct by May 2001. There were about 10 CAP groups in Telwatta that were formed in 1995 under the influence of a local change agent. The initial mobilisation process and the membership of the groups were similar to those in Peraliya. The groups remained active until 1996 and, thereafter, gradually declined because of a combination of factors, including the misappropriation of group funds, loss of member confidence in the group, and competition from other programmes newly introduced in the village. As of May 2001 none of the CAP small groups was operating. Some participants in the groups alleged that the local change agent who was responsible for depositing group funds in the local PO had misappropriated some of the funds and secretly lent money to others, taking the role of a private moneylender and violating the very objectives of CAP. Also the members of one group claimed that as the leader of the group had obtained and failed to repay a loan from the local PO, the other members could neither obtain loans themselves nor redeem their group savings in the PO. As the amount of money saved by the group was quite small they did not pursue the matter any further. This charge was denied by the former group leader, but it illustrates that the break up of the group process had been associated with mounting mistrust among the members. Many of the former CAP members opted to join the Samurdhi small groups and the small groups formed by the Siyath Foundation, an NGO that had recently become active, particularly among the coir producers in the area.

Case studies 5 and 6 illustrate the manner in which the small group process ran into problems caused by internal and external pressures. Mismanagement or misappropriation of funds, employment-related outward mobility (particularly of male members), and the failure of group members to make the required weekly or fortnightly contribution to the group savings scheme, are among the internal pressures that cause the break up or weakening of small groups. Externally, a lack of commitment on the part of mobilisers, the rapid turnover of mobilisers, the misappropriation of group funds by mobilisers in some instances, and competition from other programmes constitute leading external pressures against the CAP small group process. Where the CAP programme was functioning well, as in the Peraliya group in Case study 4, it could successfully coexist or even compete with Samurdhi and other similar programmes, but where CAP was beset with internal problems as in Telwatta, it was gradually overwhelmed by newer and bigger programmes like the state-sponsored Samurdhi programme. The manner in which the small group discussed in Case study 5 somehow survived these adverse pressures by reducing its scale of operations and limiting itself to a core of women who are closely related to each other demonstrates the resilience of the small group process and the possibility that the groups may bounce back into activity once a more favorable environment for the group process reappears.

## **Household participation in CAP activities**

In the survey, household participation in different community-based organisations was examined with a view to determining the relative significance of CAP (see Table 8).

It is evident that while a substantial proportion of rural households are active in CAP organisations, Samurdhi is far more important. It is also important to note that the Funeral Aid Society is another leading community-based organisation (CBO). An informal savings system called *seettu* also plays an important role in the organisational landscape of rural people. In assessing the relative significance of CAP organisations we must bear in mind that there was a tendency to over-sample CAP households for purposes of this evaluation.

A measure of the functional involvement of households in different rural institutions can be gauged by examining the cumulative gross household savings in different organisations (see Table 9).

Judging by the responses of the households in the sample, the gross household savings in CAP organisations were higher than the combined household savings in Samurdhi, Sarvodaya, SANASA and Seettu, indicating that the CAP member households were inclined to save more money in CAP organisations despite the availability of other options. While the longer duration of CAP activities compared to the Samurdhi programme in many of the study areas may be a factor in the higher volume of household saving in CAP organisations, we must bear in mind that it is mandatory for Samurdhi beneficiaries to save a prescribed amount. Given the more voluntary nature of household saving in CAP, the reported pattern of saving may be understood as an index of greater household confidence in CAP small groups, despite their informal character.

Of the 139 households who claimed to be currently active in CAP, only 5 per cent had joined the programme before 1991, 33 per cent had joined between 1991 and 1995, and the remaining 62 per cent had joined the programme after 1995 (see Table 7). This in turn indicated that the vast majority of CAP participants had less than seven years of contact with the programme.

In order to further examine the relative significance of CAP with regard to the countrywide programme of Samurdhi, we compared household participation in the two programmes in several ways. On the whole the percentage of households that claimed to be actively involved in the Samurdhi programme was 62 per cent, compared to 38 per cent in CAP. Nearly 35 per cent of households that are active in CAP, and a similar percentage of households that are active in Samurdhi, said that they have had no connection with the other programme. This shows that while there may be some overlap in the groups served by the two programmes, they are by no means identical. While 64 per cent of those active in CAP were also active in Samurdhi, of those active in Samurdhi only 39 per cent were active in CAP (see Table 10). This clearly shows that despite of the over-sampling of CAP households, Samurdhi affiliation remains more widespread in the sample. It also reveals that there are many households in the study areas that are affiliated with both programmes. Finally, of the 78 households that reportedly dropped out of the CAP programme, 64 per cent were found to be currently active in the Samurdhi programme, indicating that they moved from CAP to Samurdhi. This confirms the point that where CAP is effective, households remain affiliated with both programmes, but once CAP becomes weaker or ineffective, they tend to drop out of CAP and opt for the official and, therefore, centrally administered, poverty alleviation programme of the state as their primary institutional affiliation.

In conclusion, the data presented in this chapter reveals that as a grassroots level programme CAP has had considerable success in sustaining a critical mass of enthusiasts, demonstrating evidence of the viability and effectiveness of social mobilisation for nearly a quarter of a century, surviving many changes in personnel, management systems, donors and political regimes, and exhibiting an unusual degree of resilience in adapting to new situations and capturing the imagination and enthusiasm of many rural women and men in various parts of Sri Lanka. On the negative side, the effectiveness of the programme has been adversely affected by a range of factors, including decline of membership, rapid turnover of mobilisers, the weakening of small group processes in some areas, the weakening of social mobilisation itself under the pressure of micro-finance/income-generating activities, instances of mismanagement and misappropriation of group funds, and the increased tendency among CAP members to expect handouts, particularly supply of credit. A balanced evaluation of the programme makes it necessary for us to carefully assess both positive and negative aspects of the programme.

## 4 Impact of the Change Agent Programme

Measuring the impact of CAP is a formidable task in view of its long duration, shifts in emphasis from time to time, the sporadic geographical coverage, and the absence of a clearly formulated and commonly accepted criteria for measuring the impact. For the purposes of this evaluation, empowerment of the poor and poverty reduction are taken as the two primary and closely interrelated objectives of CAP. In its early phase, CAP mainly stressed the need to conscientise and mobilise the rural poor, both as an end in itself and as a means to reduce poverty. More recently this social mobilisation/empowerment objective has been overshadowed by the stress on promoting group funds as a means to enhance economic activity. This evaluation will assess how far the programme has been able to achieve the twin objectives of empowerment and poverty alleviation.

In the absence of any valid baseline information, several other methods are used to assess impact. One is to analyse CAP group processes in selected study locations to determine how far the said objectives have been achieved. Exploring perceptions of CAP members about the manner in which the programme has benefited them is another. Finally, CAP groups were compared with groups served by other similar programmes in the selected study areas to isolate the specific outcomes of CAP. Each of these procedures has strengths and limitations when assessing the impact of a long-term and in some ways diffuse programme such as CAP. They will be used in combination to try to capture the varied outcomes.

### **CAP methodology for empowering the poor**

Conscientisation of the poor was the primary goal of CAP in its early phase. The aim was to raise the awareness of the poor about their condition and, thereby, stimulate them to act collectively to alter those economic transactions and production relationships that perpetuated their condition of poverty. It was expected that as an action research project CAP would reveal certain innovative and effective strategies for catalysing the rural poor to develop self-reliant, time-tested and conscious means of escaping poverty. As noted earlier, in the 1980s, the programme underwent a radical and yet imperceptible transition towards accepting microfinance and stressing the promotion of income-generating activities as the primary strategy for dealing with poverty. With this, CAP ceased to be purely a action research project, and instead became a government programme routinely implemented by various categories of RDTRI staff. While this resulted in a major reorientation, the original objective of conscientisation of the poor was never abandoned. On the contrary, the poor were expected to maintain a regular dialogue about their condition and ways of overcoming their disadvantages through small group meetings and by federating into higher level organisations. While there were some obvious discrepancies between the original conscientisation approach and the new microfinance approach – for example in the relative emphasis given to awareness raising, the need for altering production relations and the collective action of the poor – the two approaches were not mutually exclusive in so far as a degree of collective mobilisation of the poor was common to both.

Several distinctive features of the CAP methodology for empowering the rural poor can be recapped here:

First, a trained catalyst from ‘outside’ visits a village and initiates a process of dialogue with groups of poorer villagers. Even though this may sound like a paternalistic approach to the conscientisation of the poor, it was assumed that they had taken their condition for granted and could only be

stimulated to reflect on it in a systematic way through an external catalyst with the necessary skills, attitudes and wisdom.

Second, this leads to a process of probing on the part of local poor people and groups in collaboration with the external catalyst. This probing is similar to the now-familiar process of Participatory Rural Appraisal (PRA) but lacks its technological sophistication. One key difference in CAP probing is that it is undertaken explicitly from the point of view of the rural poor to help them overcome their problems.

Third, CAP sought to organise the poor, initially in small groups, as a distinctive layer in rural society. In this respect CAP differed from all the other existing rural mobilization programmes, such as the Department of Rural Development's Rural Development Societies and the Sarvodaya movement's Sarvodaya Shramadana Samithi, as the latter organisations sought to unite the entire village community for the purposes of rural development.

Fourth, this process – once introduced by an external agent – was expected to be internalised and progress towards a chain of collective action. This might take the form of either mutual help (e.g. building of group funds, labour sharing) or campaigns to renegotiate relationships with the powerful layers of society. Some advocates of CAP tended to see the latter type of collective action as more progressive and more beneficial to the poor.

Finally, this conscientisation/social mobilisation process did not involve any direct handouts, but was conceived rather as a means to promote self-reliance.

This seemingly radical approach to empowerment gave way during the 1990s to a more sedate group-building process where savings and lending from savings were often the core activity. This in turn undermined some aspects of the empowerment process initially introduced by CAP, but mobilising the poor so to act together to promote their common interests remained one of the main aspects of the programme. In light of liberalisation policies and the current emphasis on market-led growth, CAP-type interventions are increasingly seen as a means to mainstream the poor and enhance their integration and comparative advantages within global, national and regional markets, rather than as a means to organise them to confront the dominant classes of society.

In terms of empowerment, the impact of CAP needs to be considered from several angles:

1. The conscientisation of the poor;
2. Improving the bargaining power of small producers vis-à-vis middlemen;
3. Empowerment of women;
4. Empowerment of marginalised social groups in general.

### **Impact of CAP on conscientisation and related perceptions of the poor**

As a conscientisation process, one of the primary objectives of CAP was to make people aware of their condition and to facilitate collective action towards overcoming their common problems. In the field visits it was evident that CAP participants had no difficulties in declaring themselves as poor and discussing the reasons for their poverty. The more articulate CAP members (leaders of small groups in particular) tended to explain their condition in socio-economic terms. In the Household Survey 80.4 per cent of current CAP members identified themselves as poor.<sup>1</sup> Asked

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<sup>1</sup> We are unable to compare the responses of non-CAP members due to certain inconsistencies in the questions asked of CAP members and others. These questions were part of a wider interest in understanding the perception of poverty among the programme participants. This is based on the assumption that being aware of a condition is a pre-requisite for taking action against it.

why they considered themselves poor, the most common answer was insufficient income, followed by poor housing.<sup>2</sup> As to why they are poor, the most common answer was lack of income-earning opportunities, unemployment, and lack of resources. Interestingly, no one mentioned exploitation or appropriations by other groups as a factor in their poverty. This reveals that many CAP members no longer hold to the old CAP ideology.

Most CAP participants felt that CAP has helped promote social harmony (see Table 11). The highest impact in this regard was felt within the small groups, followed by the poor as a group and villages in general. This shows that, in the perception of CAP participants, the programme has mainly served to cement the small groups. The perceived higher impact of the programme in promoting harmony among the poor rather than within the village in general indicates that the programme is seen as one primarily catering to the poor.

A total of 82.5 per cent of CAP participants felt that the programme contributed to the promotion of self-help activities among the participants (Table 11).

Asked if CAP contributed to the empowerment of the poor, 86.9 per cent of CAP participants said that it had a very good or good impact in this regard. In contrast, only 1.4 per cent of Samurdhi participants and 8.4 per cent of Sarvodaya members mentioned empowerment as a beneficial outcome of their respective programmes.

In keeping with the original objectives of CAP, the participants were asked how much they thought the programme had helped to reduce exploitation (Table 12). Only 53 per cent of CAP participants felt that this had been achieved. Asked how far the programme helped to reduce the power of corrupt officials, only 20.4 per cent felt it actually did so to any extent. In summary, CAP's achievements in relation to the promotion of social justice are perceived to be relatively mild.

A provisional conclusion that can be drawn from this section is that while the programme did help raise the awareness of the poor and promote a degree of solidarity and mutual help among them, its perceived impact on reducing inequality as such is modest.

### **Impact of CAP on improving the bargaining power of small producers**

Reducing the dependency of small producers on various categories of middlemen who have monopolistic control over production and distribution processes in rural areas has been one of CAP's key objectives, particularly in its formative phase. In the beginning, field locations were selected to cover a range of production processes, including peasant agriculture, livestock keeping, cottage industries, and fishing (Lindahl et al. 1991, SLIDA 1982). The inflated cost of consumer goods in rural areas and the high interest rates that the rural poor had to pay to private money lenders were also important concerns. It was expected that the CAP intervention would improve the bargaining power of the rural poor over these various economic intermediaries.

We were told how this model worked in several field locations. The views were most clearly articulated by small-scale cashew producers in Madelgamuwa (Minuwangoda), coir workers in Hikkaduwa and Habaraduwa, tea smallholders in Nagoda, potters in Kuliypitiya, and coconut smallholders in Minuwangoda and Ibbagamuwa. The argument was that thanks to CAP interventions the small producers were able to bypass the exploitative middlemen, access new marketing outlets, improve their production methods, and generally overcome pre-existing unfair exchange relations.

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<sup>2</sup> Importance of housing deficiency in people's perception of poverty has been mentioned in previous research in Sri Lanka (see Silva 1998).

We found several instances where the model had led to a degree of empowerment of small producers, as illustrated in Case Studies 7 and 8.

#### **Case 7: Successful Income-Generating Activity**

The small-scale cashew producers in Madelgamuwa, Batapotha in the Minuwangoda PO area are a case in point. Before the introduction of CAP to this village in 1994 most of the poor households were processing cashew nuts to be sold to a tight-knit core of middlemen who made enormous profits supplying the processed cashew nuts to various firms in Colombo. The families that processed the cashews received raw nuts from these middlemen, who paid them on a piecework basis. Under the Change Agent Programme, the small-scale cashew producers organised themselves into small groups and investigated ways and means of improving their income from cashew production. These investigations gave them many insights into securing supplies of raw cashews at a relatively low cost from a far-away cashew growing area, ways of improving their processing technology through contacts with an outside NGO involved in promoting both intermediate technology and marketing channels to supply their produce at higher prices directly to exporters in Colombo. Prior to these changes most of the small-scale cashew producers in the village only knew how to process cashew nuts. CAP has definitely widened their technical know-how, expanded their marketing horizons, and enabled them to participate in economic transactions on a wider plane and with a greater understanding of the opportunities available and risks involved. As of June 2001 they did not have sufficient capital to bypass the middlemen altogether, but these small-scale producers were much less dependent on the middlemen than they had been.

#### **Case Study 8: Successful Cottage Industry**

A similar process of conscientisation leading to a measure of economic empowerment was evident among the female coir workers affiliated with CAP in Hikkaduwa and Habaraduwa. In the relevant villages the coir workers have been among the poorest and the most downtrodden. The female workers have often been subjected to both economic deprivation and gender discrimination. Female coir workers had depended heavily on local middlemen to supply credit, raw materials and market the produce. The workers' returns were so low that they only continued because they had no other means of earning an income. The production technology, which was rudimentary, had remained stagnant, as the small producers had no way of improving it. Before CAP came along, the coir workers suffered silently whatever conditions were imposed by the middlemen.

There was considerable resistance from these middlemen – as well as from some coir workers – to the collective mobilisation of coir workers under CAP. Following their conscientisation, however, more and more coir workers gradually joined the group process. The CAP group process enabled these low-paid female workers to reduce their dependency on local middlemen, identify and avail themselves of opportunities to improve their production processes, diversify their products, and market directly to exporters in Colombo. Through their collective action these female small producers successfully overcame not only trade monopolies but also the entrenched power of the middlemen. The group process and the direct interaction between the small producers and exporters also led to marked improvements in the production methods used and in returns to the workers

These examples clearly illustrate the manner in which the collective mobilisation of small producers engaged in common production activities can advance their common interests and comparative advantages within the markets. While these cases do point to significant achievements in empowering small producers within the framework of CAP, the overall impact of the programme on enhancing the bargaining power of the poor vis-à-vis economic intermediaries at various levels cannot be overstated due to a number of reasons. First, these case studies are 'showcases' documented in most CAP literature and have evolved through additional inputs and special

attention. In most areas where the CAP approach is currently implemented, there is no evidence of increased collective bargaining by the poor as a result of CAP interventions even though there is considerable evidence of such interventions leading to increased mutual help among the poor. Second, even in the instances where the poor have resorted to collective bargaining via CAP, there are certain outcomes that do not fit the model. For instance, the cashew producers who are beneficiaries of the CAP production groups in Madelgamuwa are not necessarily the poorest cashew producers in the village. In fact some of the poorest cashew workers were left out of the group process because of their heavy dependence on wage labour. Third, only a small minority of relevant small producers are involved in the CAP process, and even those who are part of the CAP production groups have not been able to detach themselves completely from the middlemen. Often the group processes have failed to match the efficiency and entrepreneurship of the relevant middlemen. There are also instances where CAP mobilisers or leaders of CAP small groups gradually took on the role of middlemen or moneylenders themselves – an obvious infringement of the original CAP ideology. It must be mentioned here that since rural middlemen often provide some vital services to small producers and since some of these economic intermediaries may themselves be poor or just above the poverty line, a model of empowerment of the poor that is primarily and narrowly targeted against rural middlemen is unlikely to be effective, particularly within a framework of economic liberalisation and a broader approach to poverty alleviation that emphasises enterprise development. This, in turn, points to the need to conceptualise collective bargaining of the poor in broader terms, taking into consideration their constraints and opportunities within markets and in relation to state and other agencies.

## Impact of CAP on the empowerment of women

In Sri Lanka, most attempts at poverty alleviation have mobilised women at the grassroots level into group savings schemes (Sirivardana 1998, Leelasena and Dhammika 1996, Hewavitharana 1995). The survey clearly showed that the majority of participants in CAP small groups are women. It is important to state this aspect of the programme, as gender issues are often overlooked or approached in rather simplistic ways in most discussions and analyses of the CAP programme. *“The ‘poor’ are constructed as the legitimate object of development attention, an almost residual category into which a multiplicity of different kinds of people can be conveniently shunted”* (Cornwall, 2001). In Sri Lanka, there is growing evidence that the ‘poor’, as a category that is earmarked for engagement in such programmes, are often women in economically disadvantaged households.

As shown in Chapter Two, CAP small groups had more or less equal participation of men and women in the beginning (1978). Women’s participation gradually and consistently increased as group saving became a core activity, overshadowing the wider aim of altering production relations. As women became the primary constituency of the programme during the late 1980s, ‘gender empowerment’ became a CAP policy emphasis.

It is critical to understand that women’s role in group saving schemes – which is evident in a wide spectrum of poverty alleviation/social mobilisation programmes, ranging from the Samurdhi Programme to the Janshakti Programme – derive directly from their traditional interventions at community/household level through the *seettu* schemes. *Seettu* are savings schemes where participating group members save an agreed amount on a weekly or monthly basis. The savings may range from Rs.10–500 or higher, depending on the income level of the women involved. The basis for this pattern of women’s direct involvement in group savings may be related to factors such as a general acceptance, an expectation even, that *women* would ensure that there is food on the table and that there are resources/entitlements to fall back on at times of crisis. The relative

freedom of movement/mobility which women enjoy in Sri Lanka is another reason for women's long involvement in group savings. Women can put by money for their own use outside of their household expenses.<sup>3</sup> Studies on women's pattern of savings have noted that they tend to keep these savings separate from discussions of household incomes and expenses, particularly discussions with spouses. In the case of *seettu* savings are used to purchase items such as consumer durables, furniture, jewellery, and expensive clothing, all of which may eventually become important dowry items that move with women during marriage transactions (Albee and Reid 1990, Kottegoda 1994, 2000a and 2000b). These savings are also important resources that the family can fall back on at times of illness, crop failures, or other crisis.

It appears that CAP gradually recognised the importance of involving women in group-based poverty alleviation endeavours. Hence although the literature on CAP refers to a constituency called 'the poor', in reality it was poor women who were most able to help their households get out of poverty.

### **Women as a primary constituency in social mobilisation programmes**

The discussions with groups and CAP organisations during our field visits showed that in most cases the CAP programme primarily attracted, and appeared to be targeted at, women. Discussions with group members as well as office-bearers in newly formed NGOs revealed that the mobilisation at village level targeted women as being the people most concerned about the welfare of household members. Hence, the initial steps of CAP group building use the communal savings and investment methodology. For example, each (woman) household member brings an agreed number of coconut shells every week, which are then sold in bulk and the profits shared among group members.

The field data indicates that while the participation of men in CAP group activities was low, where women-led groups began to show economic profit, there was a pattern of men joining in. Where male members were involved in small groups they were more likely to drop out of the programme because of employment-related constraints. In other cases female spouses often represented male members in small group activities. On the other hand, instances of men participating in small group activities on behalf of female CAP members were rare. There was a perception among CAP mobilisers that male participants were less serious about the group process and were less inclined to save. It thus appears that at the village level there has been a pattern of drawing in women as the basic foundation of almost all group activities, in particular in relation to savings programmes and the building of support groups. This was by no means restricted to the CAP programme. As noted in Chapter 3, even though for Samurdhi purposes the male head of the household is officially counted as the recipient of the grants, the small groups largely involved women.

Of the various community-based organisations in the study locations, (see Table 13), CAP small groups and/or Gami Sanvidanaya had the highest participation of women, followed by Women's Organisations, SANASA, Sarvodaya, and Seettu. This confirms that women are the primary constituency of CAP small groups, and that out of all community-based organisations the pattern of female participation is most pronounced in CAP entities at the grassroots level. As discussed elsewhere in this report, this is also an aspect of the greater resilience and sustainability of the CAP group process.

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<sup>3</sup> It is pertinent to note that the CAP programme in particular has spread most widely in the south and has been largely inactive in the north and east, where there has been a state of war for almost two decades and hence where women's mobility is likely to be most curtailed.

### **Perceptions of impact of CAP on women's lives**

In light of the fact that the evaluation called for an assessment of the impact of the CAP programmes specifically on poor rural women's lives, the survey questionnaire included a separate set of questions addressed to women participants in CAP small groups.

The woman-specific questions included in the survey attempted to draw out from women their own understanding of the workings of small groups and also their experience of changes in their lives through involvement in CAP small groups. The responses clearly indicate that women perceive that their activities in the CAP small groups have had several positive outcomes (Table 14).

According to the perceptions of female CAP members, the programme's greatest impact was in creating a supportive social network for women, followed by improving women's status within the village, improving women's participation in decision-making processes within the village, and changing conventional views about women's capabilities. Some 66.4 per cent of female respondents thought that there had been a positive response from other household members regarding their participation in CAP.

Interestingly, fewer women felt that the programme had helped improve women's participation in decision-making or their status at the household level compared to relevant changes at the village level. These findings suggest that while CAP has successfully created a space for women at the community level, it has had little impact on changing gender stereotypes within the household.

The survey methodology was designed to elicit women's perceptions regarding changes resulting from their participation in CAP. Elements of empowerment are in themselves qualitative measures of self-understanding of one's own capabilities and confidence. Discussions with group members also revealed that in many instances women viewed themselves as sharing a vision of overcoming poverty and engaging in income-earning activities and saving to better their economic status. Through the group process women developed a sense of responsibility for each other as well as a strong network of mutual support and engagement in shared activities.

### **Perceived impact of CAP on intrahousehold gender relations**

The survey results also indicated that there were other aspects of women's lives which they perceived as being little changed despite their involvement and participation in CAP small group activities. Two such aspects are listed in Table 15.

The perceived impact of CAP in respect of gender relations within households shows the complex nature of women's empowerment within a social fabric where gender relations are rooted in social perceptions that justify the power and authority of men over women. The lack of change in the social division of labour within most households currently engaged in CAP activities/small groups shows that women's direct involvement in economic contributions to the household is viewed as an extension of their expected social role and not as additional efforts on their part to expand income-earning activities or access to credit and savings. It then appears that men are not perceived as being required to try harder to share household activities with women.

A similar lack of change is noted in relation to incidents of violence against women. Even though reliable quantitative data on the subject is not available, it is well known that violence is a fact of many women's lives. While 17.2 per cent of female respondents noted that there had been a reduction of incidents of violence against women in the home, 37.3 per cent indicated no change/reduction, and a further 18.7 per cent indicated that there had been no special change/reduction due to women's involvement in CAP. One of the clearest indicators of the

positive aspects of women's empowerment, and indeed empowerment of households, is a reduction in incidents of violence against women, however modest that reduction may be.

In the survey we also examined the effect of CAP on reducing substance abuse at the household level, as substance abuse by men often gives rise to additional problems for women. Of the households that responded to this question, 45 per cent said that there was some discussion on how to reduce consumption of alcohol and other substances at the household level. However, only 1.9 per cent of households reported termination of substance use due to CAP interventions, while another 11.3 per cent reported a decline in substance use due to the same interventions. On the whole, there has been only a limited change in intrahousehold gender relations as a result of CAP.

### **Have women gained a voice via CAP?**

The field visits of the evaluation team and the discussions held with group members and office-bearers in CAP organisations give an impression that *group membership* and a *sense of community* were important aspects of the experience of being a CAP participant.

Interviewees consistently drew attention to the fact that the participants regarded their involvement in CAP as a personally gratifying and satisfying relationship, in contrast to their participation in or experience with other parallel programmes such as the Samurdhi Programme. The latter, interviewees emphasised, focused too heavily on regulations and laws (*neethi*) from the 'outside' and a failure to adhere to these brought censure and 'punishment' (e.g. expulsion from programme). The CAP regulations are formulated by the groups themselves and members reportedly adhere to these regulations out of a sense of community and 'social responsibility'. Furthermore, CAP participants seemed to appreciate the fact that non-adherence to rules was not 'punished'.

It is important to note that empowerment of the small group members can also be seen by the way their communities recognise their capabilities and contributions, for example by electing them to responsible positions within the higher echelons of organised bodies. While there is irrefutable evidence to show that women are the foundations of the CAP programmes at the grassroots level, this is not reflected in the pattern of gender distribution among key office bearers in POs and higher level federations.

Interviews with POs and higher level federations revealed that men typically hold most decision-making positions, some because they were Change Agents/catalysts at earlier stages of group formation/social animation, or because the women are not visible. Discussions with members of such bodies brought out few coherent arguments about why this should be the case when women were in fact the majority of small group members, and their needs and perceptions were supposed to be integrated into the federation/bank programmes. The priority concern for such enterprises appear to rest on expanding the credit and savings avenues and developing the unit as a profit-making venture. Engaging women in policy formulation does not appear to be of concern. In this light it is pertinent to note a cautionary observation made by Cornwall (2001): *"Being involved in a process is not the equivalent to having a voice: the voice needs to be nurtured, people need to feel able to express themselves without fear of reprisals or the expectation of not being listened to or taken seriously."* The CAP programme has made the women members of small groups feel more capable. They talk about their own sense of solidarity and support and about the need for and a commitment to engaging in economic activities to better their lives and households. This sense of empowerment needs to be recognised and supported in making women's capabilities and concerns visible at all levels of the new organisations. The absence of any significant cadre of women at the decision-making levels of the more 'developed' CAP organisations indicates that the programme has not been completely successful in making women's voices heard.

In conclusion, CAP remains an important avenue for women to mobilise at the village level in relation to the following factors:

1. At the village level, most CAP groups continue to provide women with significant space to meet and share common problems and issues and it enables them to engage in savings largely on the basis of rules and regulations the participants themselves have developed.
2. For most female CAP group members, identity as a group member in itself imparts a sense of empowerment and strength both as an individual as well as within the community.
3. While CAP has led to a definite improvement in the participation of women in development/community activities outside the domestic sphere, there is no evidence that the programme has had any significant impact on aspects such as the gender-based social division of labour within the household or the reduction of domestic violence against women.
4. There is little representation of women at the decision-making levels, as chairpersons, treasurers, or secretaries in the new financial institutions evolved from CAP small groups. This pattern is by no means restricted to CAP. A similar pattern of male leadership at the top is evident in a range of programmes where membership at the village level is primarily female (Kottagoda 1994, 2000a, 2000b). This has serious implications for strategies to bring about gender equality in Sri Lanka; it clearly indicates that at the institutional level there is still strong resistance to recognising women's empowerment, even within organisations which are mandated to support such endeavours.
5. While women are the mainstay of the CAP programme in the country, it is a matter of concern that at the policy level there appears to be little interest in highlighting this factor or in institutionalising processes whereby women's voices would be evident. Such measures could include planned skills development training for women to enhance their capabilities for holding higher office, for example.

## **Impact of CAP on empowerment of other marginalised groups**

Some of the prior evaluations of CAP (Lindahl et al. 1991) have argued that it caters mainly to small farmers and asset owners in rural society in so far as they are more likely to benefit from the group process aimed at self development. They have also argued that the poorest of the poor in rural society, including wage labourers, are often excluded from the group process and may even be adversely affected, as labour sharing among small farmers may reduce the demand for wage labour. It must be pointed out, however, that a sharp distinction between rural wage labourers and small farmers is not evident in rural Sri Lanka, as small farmers may also sell their labour in off-seasons. However, our field investigations confirmed that the poorest of the poor may be excluded from the CAP process as they cannot attend group meetings due to the nature of their work, they cannot contribute to group funds because of their regular cash shortages, and sometimes they were not invited to join the groups because the other members of the groups thought their credit worthiness was suspect. This also shows that the social class configurations in rural society are far more complex than originally assumed by CAP.

The programme has been implemented mainly in predominantly Sinhala areas, which is reflected in the ethnic breakdown of our study sample (see Table 3). The programme has not been extended to cover the minority regions in the northern and eastern parts of Sri Lanka. This cannot be attributed to any conscious programme bias in favour of the majority ethnic group, rather it is due

to the experimental nature of the original project, logistical problems in providing training in Tamil and in extending the programme to the war-affected areas after 1983. Some Tamil volunteers from the Vavuniya District were given training in the 1990s but they could not initiate the group process in the area largely because of security problems and population displacements in the war-affected areas. The CAP process was introduced in Puttlam where there is a significant concentration of Muslims, but the programme has had limited success in this area. A more serious concern was how far the project worked *against* minority interests in so far as in the early phase many CAP activities were directed against middlemen, among whom perhaps there was an overrepresentation of people from minority backgrounds (e.g. Muslims and Sri Lankan Tamils). In this study we did not find any evidence of CAP being a factor in any anti-minority feelings in rural areas.

It must be noted here that CARE International, which supported CAP in the 1990s, had tried to expand CAP interventions to tea estate communities in a project seeking to promote self-employment and micro-enterprise among unemployed youth in the estates (Amarasinghe 1988). According to the information available, CARE has had some success in introducing the social mobilisation process, even though they had difficulty at first in introducing the group process among estate labourers because of their attitudes and work-related constraints. As will be elaborated later, a suitably modified mobilisation approach may have considerable potential for rehabilitating internally displaced people (IDPs) and related community/peace building efforts in the war-affected areas.

## **Impact of CAP on reduction of poverty**

The strategies followed by CAP to reduce poverty include promoting group funds, lending at concessionary rates of interest, training for self-employment, supplying inputs and services, helping to identify marketing outlets, promoting mutual help in sharing labour and bulk buying consumer goods, and developing physical infrastructure to benefit the poor.

### **Improved access to credit**

Improving access to credit for low-income rural households and reducing their dependence on unscrupulous private lenders have been important aspects of the poverty alleviation strategy in CAP. While there are isolated instances where CAP has tried to create a link between established financial institutions and small producers, as in Madelgamuwa, its primary strategy has been to encourage the formation of group funds among the poor themselves as a self-reliant approach to overcome their scarcity of capital. In areas where CAP organisations are well developed, credit for qualified members is available from three CAP sources, namely the small group level, Gami Sanvidanaya (GS – zonal society), and Prajashakti Organisations (PO). Loan size and terms and conditions vary depending on the commonly accepted rules and regulations at each level. It is generally expected that for short-term low-value emergency and consumption loans CAP members must approach the small group, while PO may be the more appropriate lender for production-oriented loans.

Asked to specify the reason for joining CAP, 32.6 per cent of all CAP households mentioned access to credit as the main reason.. Of the 137 sample households that are currently involved in CAP only 53 (38.7 per cent) reported getting loans from their CAP small group. The mean amount of cumulative borrowing per households reporting any borrowing from small groups was Rs.2384. Only 20 out of the CAP households (14.6 per cent) reported any borrowing from the CAP Gami Sanvidanaya (zonal society). The mean household borrowing from CAP Gami Sanvidanaya for those that borrowed from this source was Rs.1674. Finally a total of 63 CAP households (46 per

cent) reported borrowing from Prajashakti Organisations, with a mean household borrowing of Rs.7182.

As regards the purpose of the loan, self-employment was mentioned as the main objective of borrowing from both CAP small groups and PS organisation, followed by housing and family needs (Table 16). As expected, POs are more important as a source of loans for production and self-employment purposes, while illness is a more important reason for borrowing from the small group. Housing improvement is a relatively important purpose of loans from both sources. Judging by the stated purposes of the loans, neither source appears to be a significant source of consumption loans.

Rural households borrowed from multiple sources, as is evident from Table 17. Table 17 shows that the retail trader is the leading source of current lending, followed by Samurdhi and CAP organisations. Some 14.6 per cent of households were in debt to private moneylenders, while 9.4 per cent were in debt to banks and 22.4 per cent were indebted to CAP sources. Interestingly, between CAP members and others there was no significant difference in the percentage of households who were currently indebted to retail traders and private lenders, clearly indicating that in the long run CAP intervention has not led to any reduction of borrowing from retail traders or private money lenders.

### **Impact of CAP on employment generation and other poverty reduction measures**

A total of 50.7 per cent of CAP households reported involvement in self-employment of one kind or another. Animal husbandry and food processing were the leading types of self-employment in the CAP sample, followed by sewing and farming. Only 35 per cent of all CAP households mentioned that they received any assistance from CAP for self-employment and/or enterprise development activities. The leading help received from CAP was credit, followed by training, input supply, and development of marketing outlets. While the impact of CAP on employment generation appeared to be rather limited, from the survey there was no evidence of any other government or NGO programme having a greater impact in regard to employment generation or enterprise development.

As regards improving household consumption, the two measures advocated by CAP were the bulk purchase of commodities and the establishment of retail outlets with CAP support. The former was more common among the small group members. As of 2001, there was no evidence in any of the study locations that bulk purchase of commodities was a regular practice. Often it was limited to certain types of commodities, such as soap, or purchases during the New Year season. The reason for the latter was that it was mainly during the New Year season that lump sum purchases of significant value were made by many households at a given time. In addition, some CAP small groups had initiated *seettu*-like savings programmes among their members with a view to raising enough money to purchase certain specific consumer items that they were unable to buy through their regular incomes. Where practiced, these may be seen as important coping strategies used by CAP participants.

During discussions with CAP members they referred to a range of labour-sharing practices, some of which were religious and cultural, such as clearing temple premises or holding *bodhi puja* (veneration of the Bodhi tree) to bless members of the Sri Lankan army involved in the war. Other such activities involved mobilising voluntary labour (*shramadana*) to clear footpaths, wells and other such infrastructure. In two locations it was mentioned that women in various CAP groups got together to remove containers where mosquito breeding could take place in a campaign against dengue fever. These activities are necessarily small scale and infrequent but they were seen as important ingredients of a multi-faceted CAP methodology for redressing poverty.

In summary, the evidence reviewed in this chapter reveals that the key CAP achievements with regard to empowerment are raising awareness of and creating a sense of unity and mutual concern among the poor in general and women in poor rural households in particular. The programme's achievements in enhancing the bargaining power of the poor are limited to some selected instances where CAP helped collectively mobilise small producers. As regards poverty reduction, the key positive outcomes are the institutionalisation of group savings as a means to promote livelihood security, the diversification of potential avenues of borrowing for consumption and production purposes, and the creation of a social network (social capital) within which mutual support is readily available, particularly at times of distress. However, there is a host of findings that indicate that the impact of CAP in respect of empowerment or poverty alleviation should not be overstated. Limited perceived impact in regard to social justice objectives, social division of labour within the household, and reduction of domestic violence, the continued importance of moneylenders and retail traders as sources of credit even among CAP households, and the limited success in employment generation are among the factors that point to a low impact of CAP. Bearing in mind that these are difficult goals to achieve given the complex structural nature of the problems involved, it would be unrealistic to expect that one single programme or one single approach could address them all, however comprehensive that programme or approach may be. The high participation of women in CAP activities at the grassroots level does indicate that some social change has been brought about by CAP. Through CAP women have identified and developed a social space that builds on the traditional openings for them in sectors such as *seettu* and, at the same time, increases their involvement in the "public sphere", from which they have been more or less excluded, particularly in rural society. This may be seen as a significant and notable change from the angle of empowerment of women. On the other hand, the inadequate presence of women in key decision-making positions in the higher echelons of the CAP organisational structure reveal that change has been limited and slow.

On the whole, there are several positive lessons that can be drawn from CAP experience with regard to the potential of the social mobilisation approach as a means to safeguard the poor and enhance their comparative advantages within a framework of market-led growth. We will return to this theme in the next chapter.

## 5 Conclusion – Is there a Future for CAP?

As discussed in the previous chapters, the Change Agent Programme has survived many fluctuations in circumstances during its 23-year lifespan. Obviously donor support has been an important factor in its continuity but cannot fully explain the resilience of the programme. Many other donor-supported programmes were less successful in terms of both impact and durability. CAP has reached a critical juncture following both the government's handover of the responsibility for the programme to the new Prajasakti Organisations (managed by local CAP workers) and the drying up of external donor support for the programme. Is this the end of the road for CAP, or is it the beginning of a new era, with CAP as a community-managed programme? In answering this question, a distinction needs to be made between the programme and the methodology. If the programme continues to depend purely on microfinance for the survival and continued application of its methodologies, then barring any major infusion of funds from outside, the future of the programme looks bleak. *However, even if the sustainability of the CAP programme is in doubt, purged of persistent ideological hang-ups, the CAP methodology has considerable potential for further development and effective application in a range of new situations in Sri Lanka.*

It is difficult to pinpoint specific features of CAP's methodology for social mobilisation of the poor, as CAP has influenced virtually every other government-initiated social mobilisation programmes in the country, from IRDPs to the Samurdhi Programme and was in turn influenced by them. In the course of its development CAP evolved as a pure social mobilisation programme in the sense that raising the awareness and collective mobilisation of the poor was its primary target. In contrast, other programmes have approached social mobilisation as a means to achieve other goals. For instance, in IRDPs as well as in community-based water supply and sanitation programmes, social mobilisation was seen as a means to ensure community participation in the construction and successful maintenance of infrastructural facilities developed by the respective programmes. Similarly in the Janasaviya and Samurdhi programmes social mobilisation was used to ensure the better use of income transfers to the poor. In its effort to promote self reliance among the poor CAP resisted reliance on any such handouts, and instead sought to promote mutual understanding and mutual help as the primary strategy for relieving poverty.

Another feature of CAP methodology has been its reliance on the catalytic intervention of a mobiliser and the initiation of a group process as the means to stimulate awareness, highlight common interests, and develop cooperative action. This feature of CAP was largely misappropriated by the Janasaviya and Samurdhi programmes in their efforts to buttress large-scale, target-driven poverty alleviation programmes that were centrally implemented and largely politically motivated, with both staff and beneficiaries often recruited along party lines. Their imperative and commandeered process was aptly reported by one observer as "herding people into small groups" (Gunatilaka 1996). Influenced by these high-profile national poverty alleviation programmes since 1990, CAP itself became increasingly target-driven, largely sacrificing its organic model of slow but steady social mobilisation. As already noted, CAP's original model of conscientisation of the poor was itself limited in that it aimed at convincing the poor of the exploitative role of middlemen. It must be noted here, however, that throughout its 23-year lifespan CAP has remained one of the few development-oriented government programmes that did not become a tool of, or vehicle for, short-term party politics.

## Key strengths of CAP

The sustainability of CAP until now can be attributed to the following factors:

1. Unlike many other state-initiated development or poverty alleviation programmes, CAP has not been guided by, or identified with, party politics, with the result that the programme remained more or less unaffected by increasingly turbulent political shifts at national elections. Thus, while many of the high-profile national poverty alleviation programmes came to an end when governments changed, CAP was not disrupted by new governments wanting to start with clean slates.
2. The programme has demonstrated considerable adaptability, having survived the shift in policy environment from central planning to economic liberalisation. This policy shift resulted in an important but largely unrecognised reorientation of the mobilisation strategy, from a production relations/conflict approach where the organised poor were expected to collectively bargain with the exploitative middlemen, to one where the poor themselves aim to become micro-entrepreneurs using credit and other locally available services. With this shift CAP has been able to enter the era of liberalisation and overcome any possible contradiction that the original conscientisation approach had with the increasingly dominant neo-liberal framework.
3. CAP small groups, which constitute the base or foundation of CAP, have shown a remarkable resilience, contracting their operations when conditions are unfavourable and bouncing back into activity once the situation improves.
4. The gradual evolution of the programme to one with mainly women at the base has also contributed to its resilience and adaptability. In addition to the purely economic functions and contributions to livelihoods in vulnerable households, the small groups have provided much sought after social spaces within which women can interact with each other and pursue women-specific interests, including savings. While CAP has not led to a radical re-demarcation of gender roles, it has enhanced opportunities for women to expand their range of activities and social capital.
5. CAP-related activities, including credit facilities, mutual help, and improved access to services, have added to the survival strategies of the rural poor. While such survival strategies do not necessarily help the poor to escape poverty as pointed out by Lakshman (1994), they can be seen as one of the safety nets that help the poor to keep going at times of crisis and to overcome the vulnerabilities they face due to environmental, socio-economic, and political constraints. The increased participation of women in the programme is particularly relevant, in that women are often more vulnerable to illness, abuses, and oppressions of various kinds.

These factors are the positive lessons to be learnt from CAP. Even though a relatively small-scale government programme, with regard to social mobilisation CAP has been a pioneer for various government and non-government programmes. As a result, social mobilisation, has come to be recognised as a necessary component in most programmes that target the rural poor.

## Key limitations of CAP

This evaluation also discovered certain key weaknesses that pose serious problems for the future of CAP.

1. As of 2001 the programme had largely become a micro-finance programme routinely implemented by the newly formed NGOs. Apart from the rather mechanical process of forming groups and federations, there was no serious effort at social mobilisation or conscientisation. Group meetings often focused on matters relating to credit and savings to the neglect of any serious discussions on wider issues relating to poverty or opportunities for the poor in the current socio-economic environment. While it would be unrealistic and even counterproductive to go back to the earlier strategy of “social probing” – typically and often uncritically directed against local middlemen - any serious effort to extend social probing, to identify market niches for the poor, for instance, was not evident at all. A mechanistic process more commonly found in politically motivated and target-driven national poverty alleviation programmes was increasingly evident in CAP.
2. The micro-finance programmes initiated by CAP were organised in a rather amateurish manner. The new CAP organisations had to sink or swim in a micro-credit market already crowded with older, established government and NGO programmes, including Samurdhi, Sanasa, and Sarvodaya SEEDS. In many CAP organisations credit funds were declining because of poor repayment rates, inflation, and relatively lower interest rates. The office bearers were unaware of “best practices” in micro-finance. Poor accounting with no analysis of results through ratio analysis, no comparison of administrative costs to interest income, and relatively lax attitudes towards delayed or unpaid loans all contributed to weaknesses in the programme.
3. CAP had even less success in promoting income-generating activities and microenterprises among the poor. Over and above contributing to the survival strategies of the poor, the programme has yet to achieve economic advancement of the poor.
4. With regard to the empowerment of the poor, CAP has successfully initiated a group process, with women being more active at the grassroots level. This process may be seen as the first step towards empowering the poor and enhancing their agency as development actors. It has barely progressed beyond the small group level, however, and so far it has played a minimal role in giving a voice to the poor at the village level and above.
5. Even though CAP began as an Action Research Programme intending to experiment with innovative approaches to rural development, it has gradually evolved into a routine programme largely, if not exclusively, relying on micro-finance. In our view, this, together with some hangovers from the original conflict model, has restricted the ability of the mobilisation approach to fully address challenges and/or take advantage of opportunities presented by the framework of economic liberalisation.
6. The geographical coverage of the programme has been largely restricted to the Sinhala-dominated areas in southern Sri Lanka. It is well recognised that social mobilisation has an important role to play within the context of relief, rehabilitation, and reconstruction (RRR) efforts associated with the ongoing civil war in north-eastern Sri Lanka (Bigdon and Engel 2000, CARE 2001, Korf 2001). However, in view of its poor coverage of minority groups and conflict-affected areas in general, CAP is unable to provide any direct services or even useful experiences for programme development relating to RRR activities.

Given the strengths and limitations of CAP noted above and the changing needs of the country, what is the relevance of CAP as an approach to rural development and poverty alleviation?

## Relevance

In keeping with the TOR for this evaluation we examine below the relevance of the CAP approach for the needs of the target population, GoSL policies and programmes, and Sida's Action Programmes.

### Relevance of CAP approach to the situation of target population

CAP's emphasis on self-reliance as a key to escaping poverty remains highly relevant in a polity where competitive populism by the two major political parties has encouraged the growth of a substantial welfare state along with a high level of dependency among the poor. At present, most Sri Lankans look on the government as the main provider of opportunities, goods, and services and many observers note that government policies have worked against a spirit of self-reliance, blunted self-motivation, and stifled innovation and independence (Silva et al. 1996, Silva 1998, Silva et al. 1999, World Bank 1996). Therefore, a development approach such as CAP, that attempts to wean the poor from excessive reliance on the state and motivate them to take charge of their own development path, is unique among all other government and the majority of NGO programmes that aim to reduce poverty.

At one level CAP merely involves a catalytic intervention by an external agent with a view to raising the awareness of people in poverty about their situation and about possible means to overcome it in which the poor themselves are expected to participate collectively. Although this social probing need not lead to one explanation of poverty and one single way of addressing it (if that is the case there is no need for any specific probing as such), in its formative period, in part because of the predominant intellectual paradigms at the time, the CAP approach became identified with a production relations approach in which poverty came to be understood primarily in terms of the unequal bargaining power of small producers compared to the economic intermediaries immediately above them. This image of poverty was a limited one, even when applied to the village situation in rural Sri Lanka at the time. It certainly is no longer applicable to rural Sri Lanka after nearly 25 years of economic liberalisation programmes, devastation, and socio-economic disruption caused by the ongoing armed conflict and by the growing openness and marked tendency on the part of most Sri Lankans, including the poor themselves, to evade ideological minefields.

In response to the changes noted, CAP itself became less dogmatic over the years. Awareness-raising and group-building efforts have continued, although partly in a mechanical fashion, with the building of group funds among the poor, supplemented by interventions designed to promote income-generating activities increasingly identified and pursued as the main path to escape poverty. The limitations of this approach as a poverty alleviation strategy are well documented and well known by now (Lakshman 1994, Silva and Gunatilaka 2000, Gunatilaka 2000, Gunatilaka and Salih 1999, Gunatilaka et al. 1997) and we need not review them in the present report. What needs to be emphasised here is that the social probing – which is supposed to be carried out by the poor in consultation with their change agents – must be broadened to include these ongoing concerns, some of which stem from the globalisation processes in which they are currently embedded, so that they can work towards a more comprehensive approach that is at the same time more responsive to the specifics of local situations.

Without a CAP-type intervention the poor will have to fend for themselves as individuals, expecting either trickle-down benefits from a high-growth scenario or to escape poverty through their own efforts, assisted of course by any safety nets or income transfers currently in place. It does not provide for agency or capacity of the poor to collectively influence the shape of things to come. It

must be noted that the CAP methodology may not be equally applicable to all categories of poor people. For instance, for those who depend on casual or regular wages the group process may not be viable, as they may have no time for group meetings and no patience for social probing. If they want anything that CAP might otherwise offer, they may require a different type of conscientisation to be imparted through fellow workers, trade unions and the like.

### **Relevance of the CAP approach to GoSL's policies to reduce poverty**

The Sri Lankan government's current poverty reduction policies are largely concentrated on the rural sector, where nearly 85 per cent of the poor live. Credit programmes are considered key to helping the poor to earn more, income transfer schemes aim to provide the poor with a safety net and assist them to achieve minimum consumption levels, and workfare programmes aim to build up rural infrastructure. The Samurdhi Programme, the government's main poverty alleviation programme, brings together many of these policy elements and claims to use the participatory methodology developed by CAP as it recognises the older programme's methodology as effective in motivating the poor and raising their awareness about their situation.

Originally, RDTRI was to train all the social mobilisers of the Samurdhi Programme. However, Samurdhi's training demands far exceeded the capacity of the RDTRI, and the majority of the 32,000 Samurdhi Animators were first deployed without any training whatsoever. But RDTRI has since trained significant numbers of Samurdhi animators, and has an on-going research programme aimed at introducing CAP methodology into the Samurdhi Programme at five different locations (Kotmale, Ella, Malimboda, Lunugamvehera, and Minipe), which by all accounts has proved very successful.

There are fundamental differences between the two programmes, however, some of them irreconcilable. First, Samurdhi has incorporated some of the mechanistic components rather than the organic processes of CAP. Samurdhi argues that the CAP process takes too long, a minimum of 10 to 15 years, and that the poor cannot afford to wait that long, a point also noted by many participants in a workshop that reviewed social mobilisation approaches employed in various programmes in Sri Lanka (Leelasena 1999). Second, CAP develops people rather than institutions, claiming that if institutions are developed before the poor are ready to take over their management, then the institutions will be captured by the rich. These remaining nuances of CAP's original 'conflict' model, according to some critics, visualise a 'caste' of the poor, in contrast with Samurdhi's 'harmony' model, which proceeds on the basis that the poor can cease being poor despite there being others who are rich.

Third, Samurdhi's vast administrative structure, its political goals, its territory-driven nature, and the inclusion of the income transfer component are fundamental constraints to the programme adopting the CAP approach and its emphasis on self-reliance. Samurdhi is not content to merely catalyse the poor to help themselves. Political imperatives require that Samurdhi, just like its predecessor the Janasaviya Programme, be seen to be helping the poor. As a result, the larger programme displays a qualitatively poor, mechanistic, target-bound approach compared with the pioneer, for even though the original theoretical underpinnings of CAP methodology were themselves later abandoned, the methodology itself has retained something of its original, organic approach.

Certainly, as a micro-finance programme, CAP's relevance is marginal, given Samurdhi's extensive banking network. While the Samurdhi Bank system is able to give larger loans to its 1.2 million members (maximum loan size is Rs.25,000) than CAP, the income-transfer component of the larger programme is pivotal in securing programme participation, ensuring repayment, and, moreover, in

generating savings deposits that can be lent to the poor (Gunatilaka and Salih 1999). Nevertheless, with or without the inducement of the income-transfer programme, or the heavy government subsidies in administration, the Samurdhi Bank system is a far more effective and far more sophisticated<sup>4</sup> micro-finance programme than the CAP-inspired equivalent.

In the final count, the CAP methodology based on participatory techniques remains highly relevant to the GoSL's own poverty reduction policy, as its uncompromising emphasis on self-reliance fits in with the rhetoric, even if not the reality of other government programmes. Nevertheless, the programme itself remains a very small component of the government's overall strategy to reduce poverty.

In addition to the Samurdhi Programme, most development programmes in the rural sector initiated by government or non-governmental agencies have incorporated a dose of social mobilisation as a means to promote community participation in the relevant projects, whether they are in agriculture, forestry, health, relief and rehabilitation of IDPs, infrastructure development, or peace and reconciliation efforts. Influenced by the CAP model, trained mobilisers are used to animate the target populations and involve them in the relevant interventions. A further refinement of the CAP approach through new experimentation and the development of relevant facilities to train the various categories of mobilisers could be useful to the wide array of government and non-government programmes.

### **Relevance of CAP approach to Sida's Action Programmes**

CAP's participatory methodologies are directly in line with Sida's objectives of developing poverty-reducing methods that involve the participation of beneficiaries (Sida 1996: 10). Besides, the economic activities encouraged by the programme reflect Sida's efforts to increase employment and raise the incomes of specific target groups through its direct poverty-oriented projects. Sida's poverty-oriented action programme also emphasises improving the access of the poor to water supplies and sanitation (*ibid.* 29). Accordingly, in 1998 alone, CAP self-help processes reportedly facilitated the building of 7242 latrines, 2328 wells, and 5537 houses.

Since Sida's involvement in CAP, gender empowerment has become a key programme objective, in line with Sida's Action Programme to promote equality between men and women in partner countries. For one thing, the high rate of female participation in CAP ensures that the programme reaches women directly. In line with Sida's objectives that women should gain increased control over their own lives and increased and equitable access to and control over resources (Sida 1997: 8), CAP has directly catalysed women's empowerment in many of its programme locations and enhanced their decision-making capacity within the household.

The programme's relevance to Sida's Action Programme on democracy, human rights and environment remains marginal, however. While Sida's objectives are to promote democracy and human rights and to contribute to conflict management (Sida 1996:28), CAP's catalytic methodology has thus far proved effective in managing conflict and promoting co-operative action at the grassroots level in spite of its original commitment to a conflict model and suspected links with JVP insurgency in the South in 1987-89 (Lindahl et al. 1991). Its impact on the larger polity, however, is negligible. Likewise, the programme has had little impact on environmental issues.

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<sup>4</sup> For example, the Samurdhi Bank Programme's Financial Information System (FIS) is extremely sophisticated compared with those utilised in most other microfinance programmes.

## Sustainability

In a country where development initiatives have a relatively short lifespan because of the tendency of each newly elected regime to remove any programmes initiated by the previous regime and institute an apparatus to reward faithful supporters, CAP has had remarkable longevity and unusual resilience. This relative tenacity of the programme, which was a government programme up until 1998 or so, can be attributed to a range of factors, including the low profile it occupied within the government set-up; the low-cost labour-intensive strategies that were followed; the relative flexibility of their approach in spite of the ideological underpinnings of the original strategy; the resilience of the group process particularly where female participation is concerned; and the high level of commitment on the part of programme staff and mobilisers at various levels.

The sustainability of the programme became a major issue and some corrective action was taken only towards the end of the assisted government programme (Birgegard 1998). The main strategy for ensuring the sustainability of the ongoing activities then was to federate the largely informal groups that had so far evolved through the CAP process into autonomous formal NGO-type organisations and make them fend for themselves within an organisational landscape where successes were few and failures were more common. The time allowed for this new organisation to form and evolve was simply insufficient for them to develop any measure of organisational maturity (Birgegard 1998). Other options could have been pursued, such as linking the federated CAP groups into exiting and already well-established apex organisations within the government framework such as the Samurdhi Banks or within the NGO framework such as Sarvodaya or SANASA bodies. Instead independent NGOs called Prajashakti Organisations were established to ensure the continuity of the social mobilisation processes initiated under CAP.

The concerns regarding the sustainability of the CAP-initiated awareness raising and group-building processes as necessary strategies for poverty alleviation can be assessed under four headings: future prospects of small groups, future prospects of mobilisers, problems of newly formed NGOs, and future prospects for the CAP approach.

### Future prospects of small groups

By comparison to group processes initiated under politically motivated national poverty alleviation programmes, CAP small groups have been more sustainable, more resilient, and more genuinely self-reliant over a longer period of time. As already noted, where the same people were involved in both Samurdhi and CAP small groups, they typically thought that while the Samurdhi group process was directed from outside and sometimes used sanctions like threatening to withdraw Samurdhi benefits, the CAP group process was more spontaneous, more optional, and more in keeping with their needs and abilities. That is why many people continued with CAP small groups even after conforming to mandatory enrollment in Samurdhi small groups. Even some Samurdhi officials confirmed that where the CAP group process has already been established, the mobilisation of Samurdhi beneficiaries has been easier as the people already had considerable faith in the group process. The relative success of CAP small groups may be attributed to the more catalytic nature of the CAP approach, the longer and more rigorous training given to CAP workers, the fact that the mobilisation process is not used merely as a means to facilitate or augment the delivery of services, and the relative freedom of CAP from the short-term political goals of whatever regime is in power.

While the small groups formed under CAP are one of the more sustainable aspects of the CAP methodology, they do have some sustainability problems of their own. Contrary to official statistics, there has been a decline in membership of CAP groups in many areas since 1995 or so. Where the change agents are inactive or where member confidence in the group process had declined because

of suspected financial irregularities, the small groups appeared to be in disarray. During the field visits this was reflected in a decrease in the number of small groups and a reduction in size and operations. This decline is bound to increase in the years to come. To some extent the decline was halted by an infusion of credit from agencies such as SLCDF in 1997 and 1998, which attracted members back.

CAP's small groups remain vulnerable to both internal and external pressures. First, as the livelihoods of group members diversify along with the economy at large, group homogeneity, a key ingredient for group cohesiveness, declines and groups become more vulnerable to fissures and break ups. Second, when groups reach the bounds of their production possibility and lack the technology to push them further, then the sense of progression is lost and there is little incentive to keep the group together. Third, as Gammampila et al. (1994) note, other government and non-government poverty programmes that include various freebies along with different projects and activities pose a threat to CAP. For example, whereas CAP would provide loans to build latrines, some NGO programmes finance construction directly. Fourth, CAP groups always remained vulnerable to efforts to destabilise them by those who were threatened by the collective action and empowerment of the poor. As Gammampila et al. (1994: 41) note, village leaders, shopkeepers, intermediaries, brokers, government officials and even politicians actively work against the empowerment of the poor, as their interests would be affected. Even the educated and rich leaders of other active and non-active village organisations see the rise of CAP as a threat to their leadership (ibid.). It must also be noted here that the tendency to recruit new members of POs without involving them in the time-consuming small group process and to abandon the small group process for at least some purposes in one of the POs are further indicators of the weakening of the group process.

On the other hand, several factors contributed to the sustainability and resilience of CAP small groups. These factors include the groups' informal character, relative flexibility, continuity with traditional arrangements such as *seettu*, social and community functions for women in particular, and role in generating social capital and safety nets via promoting mutual help, including emergency credit among the poor. And, as Gammampila et al. (1994: 45) note, mature groups operate in a business-like manner, being assertive but no longer dogmatic in their approach. Their success has led politicians and local bureaucrats to support them in at least some cases. This, in turn, suggests that in spite of the limitations and concerns noted earlier, where conditions are favourable CAP small groups may continue to function as an institutional mechanism linking the poor.

### **Future prospects of mobilisers**

The high turnover of trained mobilisers is itself a limiting factor for the sustainability of groups. Manoharan et al. (1993:24) estimated that as of 1993 only about 37 per cent of change agents trained under the programme remained working with it. They identify inadequate training, inadequate follow-up, inadequate remuneration and better opportunities elsewhere, and the lack of sufficient support from the programme as key reasons for the high turnover.

The mobilisers at all levels have taken leadership positions in the new NGOs entrusted with continuing the group process. Those who remain within these enterprises are obviously the ones who are most committed to the CAP approach, but their future prospects remain firmly tied to the prospects of the organisations themselves. In some cases the allowances paid by the new organisations are somewhat better than the government paid, but often they are lower. If other, more attractive, more remunerative employment opportunities become available, many of the trainers, change agents and volunteers currently working with the Prajashakti Organisations may

well decide to take up other jobs. And given the fragility of the new organisations and their uncertain prospects, many of these individuals may decide not to stay the long course necessary to make the institutions viable organisations. Another possible danger is potential for financial irregularities within these new financial institutions.

### **Problems of new organisations**

In many ways the character of the new organisations entrusted with continuing the CAP-initiated operations are currently taking shape.

The new organisations have had varied success in building group funds through the savings of small group members. Sustainability rests largely on their ability to mobilise external sources of assistance. The amount of space available for the Prajashakti Banks to develop and grow in an arena already crowded with programmes such as Samurdhi that offer tangible, immediate benefits for members, will also be a determining factor. RDTRI and Sida presented the organisations with a hard budget constraint, and they had no choice but to sink or swim in the process. As Birgegard (1998) points out, since the issue of sustainability was raised so late, the organisations had insufficient time (a mere three years) to acquire the capacity that would have ensured a better chance of survival once RDTRI/Sida support was withdrawn. Management capacity is poor and financial information systems almost non-existent. The lack of technical capacity in microfinance within RDTRI and within the higher level organisations (district and national) makes it inevitable that unless capacity building is introduced soon the funds as well as the groups will eventually collapse.

The POs visited in the course of this study had on the whole managed to keep their heads above water. A one-off injection of funds from the Maha Sangamaya by courtesy of Sida and donors such as the Sri Lanka-Canada Development Fund (SLCDF) have certainly helped. But the monthly income from micro-finance activities barely covers administrative costs. The inability to provide allowances for change agents has caused many to be demobilised (in Nagoda, for example), thereby arresting the spread of the programme. Some POs (e.g. Anuradhapura) have embarked on businesses such as running retail stores to develop group funds. This too is a rather dangerous trend as the lack of business skills and financial accountability in some of these ventures means there is likely to be bankruptcies and even fraud.

As revealed in Chapter Two, only a limited number of POs were rated as vigorously active as of 2001.

### **Sustainability of the CAP methodology**

Micro-finance has provided a mechanism to help ensure the survival of CAP groups in one form or the other. But while the sustainability of the micro-finance operations in the majority of POs is itself in doubt, there are also dangers regarding the sustainability of the CAP methodology as a means of mobilising the poor to overcome their multiple constraints and efficiently and effectively maximise the opportunities open to them within markets, service delivery systems, and broader power structures in society.

The first danger is a possible reversal to the ideology-driven original CAP methodology that stressed the oppressive role of economic intermediaries with regard to the rural poor, with inherent limitations it imposes within a framework of market-led growth. As noted earlier, CAP has gradually moved away from this narrowly defined scope of social mobilisation in favour of a more eclectic and in many ways more realistic appraisal of the ways and means of overcoming poverty, but some CAP workers continue to operate within the original mould, limiting the applicability of

the methodology in new circumstances and preventing the dynamic adaptation of the approach where necessary.

Second, an equally dangerous trend is that in the effort to build group funds and increase the coverage of the programme, the group building under new CAP organisations is pursued in a mechanistic fashion, like in other target-oriented poverty alleviation programmes in the country. Large-scale and routine applications of the mobilisation strategy by government and NGO programmes have made inroads into recent developments within CAP-initiated processes as well. This, in turn, could make the process totally ineffective from the perspective of empowerment and poverty alleviation. If the danger noted in the preceding paragraph would make the mobilisation strategy too rigid and non-applicable within the context of globalisation, this other potential danger would take away its potential for initiating meaningful social change beneficial to the poor.

The third potential danger is that the control of the group process gradually changes hands from the poor to the non-poor and from rural women to more privileged groups in rural society. This process seems to have happened to many government and NGO programmes originally targeted at the rural poor. This will have the effect of gradually and progressively excluding the poor from the mobilisation processes.

A final danger faced by the CAP methodology is its potential appropriation by ruling regimes, particularly for political and ideological purposes. The appropriation of the mobilisation strategy by the Janasaviya and Samurdhi Programmes clearly illustrates this trend. As a result, the social mobilisation strategy can change from being an effective tool of social change to part of an ideological apparatus of the state that merely legitimises the existing social order.

Thus the sustainability and effectiveness of the CAP approach as an empowerment/ poverty alleviation strategy depends on its ability to stay clear of the various diversions or misappropriations noted above.

### **Overall sustainability**

The overall sustainability of the existing programme is in serious doubt. While the CAP methodology of catalytic intervention remains relevant in many ways, some fundamental questions about its future must be raised. While the formation of secondary and higher level organisations may have strengthened sustainability, the institutionalisation and federation along administrative boundaries with only the micro-finance operations as a common point of interest may have detracted from the original strength of the catalytic approach. Institutionalisation along formal lines could make the programme structures less flexible and more bureaucratic, and reduce the ownership of programme participants. Under the circumstances, even if the group process continues in some form, unless necessary precautions are taken it may progressively deviate from the model of catalytic social change intended to benefit the rural poor. On the other hand, as some critics have pointed out, the real answers to the problem of poverty may require the creation of wage employment via the promotion of private sector development rather than the promotion of self-employment and microenterprise currently pursued under the umbrella of CAP. This is not a valid criticism, however, as “finding solutions to poverty cannot be postponed until adequate wage employment is created” (Leelasena 1999: 17). Similarly, even if the programme does not help generate employment of any kind, in so far as it provides some safety nets for the poor, including social capital, it can help alleviate poverty.

## **Towards enhancing future prospects for CAP methodology**

In conclusion it must be noted that there is likely to be a future for CAP methodology even though the future of the existing CAP programme is in doubt. If the methodologies of conscientisation and social mobilisation are to be more widely applicable, however, the CAP methodology itself needs further development in light of emerging global trends and multi-faceted social crises in contemporary Sri Lanka.

First, it needs to work towards a concept of social and economic change that transcends the small group and village boundaries. Enhancing the efficiency, effectiveness and productivity of small producers in ways that enable them to successfully compete and at the same time link up with the thrust of corporate capital and market forces would be a key aspect of the existing CAP methodology that should be developed further. There are some interesting examples within the CAP scheme where collaborations between organised capital and small producers have naturally evolved. The tie between Hayleys and the coir producers in southern Sri Lanka and the marketing links between small-scale cashew producers in Minuwangoda and certain export firms are cases in point (Wijerama 1997). While the success rate of these enterprises may be low, a conscientisation thrust which also seeks to build on the drive and initiative of the poor as well as their capacity for risk-taking and entrepreneurship may lead to better outcomes. One can argue that this may not be consistent with the group-based approach developed by CAP, but the collective mobilisation of small producers involved in a given production activity may be the only way in which they can gain economies of scale and technological sophistication so that they successfully compete with bigger operators (Cornwall 2001). Such an approach to social mobilisation\enterprise development will be consistent with the Sri Lankan government's new Regional Economic Advancement Programme (REAP) that seeks to promote economic growth on a regional basis. The proposed expansion of the CAP methodology can also help ongoing new initiatives like farmer companies.

Second, it is proposed that the social probing involved in CAP must encourage the participants not only to identify the ways in which they are victims of oppression by others, but also the ways in which their own adaptations sometimes perpetuate their condition of poverty. This is particularly significant as several studies in Sri Lanka have highlighted the significance of substance abuse in a range of circumstances (Silva 1998, CARE 1997). Several studies as well as some available CAP literature notes that the socially mobilised women's groups are inclined to address this issue in group discussions and seek collective remedies for this problem that is widespread, particularly in estate communities, urban low-income communities, and rural settlements (CARE 1997, Leelasena and Dhammika 1996, De Soyza 1995). This would mean that in addition to trying to understand the external determinants of their poverty, social probing must also turn inwards so that people develop a balanced view of poverty as a multi-faceted problem that requires multiple interventions. The process of social probing may also be enhanced by the incorporation of new techniques like PRA and LFA, as has already been attempted by organisations such as "Future in Our Hands" (Leelasena 1999).

Third, ongoing relief and rehabilitation work in the war-affected areas presents some of the most important opportunities and challenges for social mobilisation in contemporary Sri Lanka. Considering the likely impact of war on patterns and future trends of poverty in Sri Lanka and for the disruption of any pre-existing forms of social capital in the affected communities, it is particularly important to adapt the mobilisation strategy to this new situation. The literature on displacement and rehabilitation and resettlement efforts indicates that building trust is a primary requirement in these endeavours (Korf 2001, Bush 2001). As already noted by some observers, the CAP group process and the conscientisation strategy as developed in settled populations may need

to undergo certain changes before being applied to war-torn communities (Bigdon and Engel 2000, Korf 2001). This may also create the potential to include minority ethnic groups within the fold of the CAP framework.

Fourth, how to expand the CAP methodology to include consideration of the strategic gender needs of women is another pertinent question. Even though women have been the primary constituency of the small groups, the CAP methodologies of conscientisation and social mobilisation have rarely addressed gender issues in an explicit way. Despite being a female-focused programme in reality, the CAP interventions have so far had limited impact on issues like social division of labour within the rural households. This in turn suggests that modifications of existing CAP interventions may be needed in order to bring about desirable changes in this important domain. This also implies a reorientation of conscientisation and social probing processes to facilitate an inward probing of household-level realities.

Finally, the further refinement of the CAP methodology as demanded by the circumstances noted above calls for a return to the action research framework and movement away from the mechanistic group formation for credit and saving purposes that is currently being pursued in CAP.

### **Future role of RDTRI**

Until 1989, RDTRI's main activity was implementing CAP as an action research programme and training its change agents. In many ways RDTRI has grown with the programme. Even though it is no longer responsible for managing the programme, it is expected to support the programme by training PO staff and mobilisers. RDTRI has gradually evolved as a centre for training mobilisers in various government and non-government programmes. The experience it gained from CAP has directly contributed to the development of various training programmes. This has enabled RDTRI to disseminate social mobilisation skills acquired from CAP to various other programmes in the country. RDTRI is in a particularly good position to influence the Samurdhi programme, as it is currently located in the same ministry.

Even though CAP began as an action research programme within RDTRI, the research capacity of the organisation has remained at a rudimentary level. An NGO affiliated to RDTRI, the Participatory Institute for Development Alternatives (PIDA), has been more active in research on participatory development. If the kind of refinements to the CAP approach that are suggested in this report are to be undertaken as pilot research, RDTRI will have to take the initiative in such research. Not being directly involved in the management of the programme any longer, RDTRI is now in a better position to undertake research on CAP-initiated processes. Its links with Samurdhi and various other programmes make it possible for RDTRI to think beyond the conventional CAP paradigm.

Finally, it must be noted that if the CAP-initiated group processes come to an abrupt end, it will severely constrain the future prospects for the CAP methodology as well.

### **Recommendations for Maha Sangamaya and Prajasakti Organisations**

The evaluation team has the following recommendations for PSMS and POs for dealing with urgent problems relating to sustaining CAP-initiated processes:

1. Capacity building in regard to micro-finance at all levels
2. Introducing best practices in micro-finance, including financial information systems

3. Better integration with existing micro-finance/poverty alleviation programmes (government and non-government) in the respective areas
4. Improved procedures for monitoring of outcomes at various levels
5. Improving remuneration and career prospects for mobilisers at various levels
6. Rapid dissemination of experiences from more successful POs to less successful ones
7. Enhancing funds by diversifying funding sources
8. Greater accountability and transparency in financial management
9. Avoiding any business undertakings likely to endanger scarce group funds
10. Improved management of existing resources

In keeping with the proposed expansion of the scope of social mobilisation, the POs and PSMS must explore ways and means to better integrate with the organised private sector as a means to promote rural production processes. While improving their capacity as financial institutions serving the poor, these organisations can also serve as a link between the rural poor who comprise their membership and service organisations of various kinds. Finally, POs and PSMS must be encouraged and trained where necessary to lobby on behalf of the poor vis-à-vis relevant government, local government, non-government and private sector agencies. In introducing the mobilisation strategy initially on a pilot basis to new settings such as conflict zones and IDPs the RDTRI can collaborate with PSMS and appropriate organisations already working in the relevant areas. This may also be an area where further donor support may be necessary towards development of the mobilisation approach as a viable strategy for addressing poverty and related problems among IDPs.

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# Annex 1

## Statistical Tables

**Table 1. Details of selected study units**

Name of Prajashakti	Location	Province	Level
Prajashakti Sanvardana Padanama	Anuradhapura	NCP	High
Prajashakti Participatory San. Pada	Ibbagamuwa	NWP	High
Patahewaheta Prajashakti San. Pad.	Kapuliyadde	Central	Moderate
Udawalapaya Prajashakti San. Pad.	Gampola	Central	Low
Prajashakti Zonal Banking Society	Ridimaliyadda	Uva	Moderate
Swasakti Praja Sahayogita San. Pad.	Passara	Uva	Low
Manawa Sahayogita Padanama	Minuwangoda	Western	Low
Sahabagitwa Sanvardana Kenndra	Nagoda	Southern	Low
Sahabagitwa Sanwardana Padanama	Hikkaduwa	Southern	High
Sahabagitwa Sanwardana Sansadaya	Akmiimana	Southern	Low
Sahabagitwa Sanwardana Padanama	Habaraduwa	Southern	High

**Table 2. Composition of the household sample by category of household**

Household category	Frequency	Per cent
CAP active	129	37.7
CAP inactive	10	2.9
CAP dropout	78	22.8
No CAP	125	36.5
Total	342	100

**Table 3. Distribution of household sample by ethnicity**

Ethnicity	Frequency	Percent
Sinhala	339	99.1
Tamil	3	.9
<b>Total</b>	<b>342</b>	<b>100.0</b>

**Table 4. Classification of Prajashakti Organisations by level of activity and location**

Level of activity	Province						Total
	NCP	NWP	CP	WP	Uva	SP	
High	1	2	0	1	2	3	9
Moderate	0	5	5	3	7	9	29
Low	0	3	5	3	3	1	15
<b>Total</b>	<b>1</b>	<b>10</b>	<b>10</b>	<b>7</b>	<b>12</b>	<b>13</b>	<b>53</b>

Source: Federation (PSMS)

**Table 5. Information about Prajashakti Organisations covered by the study**

PS Organisation (location)	Year of inception	Year of registration	No of small groups	No of members
Anuradhapura	1988	1993	149	1,365
Ibbagamuwa	1995	1997	73	698
Patahewaheta	1990	1998	80	450
Gampola	1990	1992		590
Ridimaliyadda	1988	1994	157	950
Passara	1992	2000		
Minuwangoda	1994	1997	40	450
Hikkaduwa	1987	1992	127	1553
Nagoda	1989	1992	189	1600
Akmeemana	1988	1993	60	1529
Habaraduwa	1978	1993	38	2610
<b>Total</b>			<b>913</b>	<b>11795</b>

Source: Records in PO offices

**Table 6. Progress of the Change Agent Programme (CAP), 1987 to 2000**

Year	No of groups	No of members	Group funds (Rs)
1987	776	8,493	99,600
1988	784	7,480	1,188,890
1989	839	7,712	1,316,818
1990	1,029	8,522	1,509,176
1991	2,478	32,568	7,857,187
1992	5,510	45,349	10,186,380
1993	5,603	46,296	13,371,568
1994	5,677	63,129	32,752,449
1995	8,128	64,610	27,277,436
1996	7,188	69,450	27,851,935
1997	6,708	64,465	32,518,854
1998	6,893	65,391	80,452,024
1999	6,778	65,190	80,056,055
2000	8,248	68,460	90,560,742

Source: Federation (PSMS)

**Table 7. Distribution of sample of households by year of first enrollment in CAP groups**

Year	Frequency	Percent
1983	1	.3
1985	1	.3
1987	1	.3
1990	4	1.2
1991	4	1.2
1992	7	2.0
1993	7	2.0
1994	17	5.0
1995	11	3.2
1996	18	5.3
1997	11	3.2
1998	20	5.8
1999	16	4.7
2000	18	5.3
2001	3	.9
Total	139	40.6
Not applicable	203	59.4
TOTAL	342	100.0

**Table 8. Percentage of households currently active in selected CBOs in the study populations**  
(N=432 households)

Name of CBO	Percentage of households reporting current involvement
PS, GS or CAP small group	37.7
Samurdhi	62.3
Rural Development Organisation	7.9
Sarvodaya	12.7
SANASA	20.5
Funeral Aid Society	62.6
Seettu	32.5
Women's Organisation	12.9
Party Branch	15.5
Youth Club	4.1

**Table 9. Gross mean household savings in selected rural organisations**

Name of CBO	Mean cumulative saving per household (Rs)	Number of households reporting savings in the respective organisation
Samurdhi Organisation	1556.73	252
Sarvodaya	422.86	145
SANASA	808.74	169
Seettu	49.00	200
CAP small group	1821.39	126
CAP Gami Sanvidanaya	323.32	119
CAP Prajashakti Organisation	876.67	124

**Table 10. Cross tabulation of households by participation in Samurdhi and CAP**

CAP	Samurdhi				Total
	Now active	Previously active	Connection only	No connection	
<b>Now active</b>	83 64.3%	1 .8%		45 34.9%	129 100.0%
<b>Inactive</b>	4 40.0%	2 20.0%		4 40.0%	10 100.0%
<b>CAP dropout</b>	50 64.1%	2 2.6%	1 1.3%	25 32.1%	78 100.0%
<b>No CAP</b>	74 59.2%		1 .8%	50 40.0%	125 100.0%
<b>Total</b>	<b>211 61.7%</b>	<b>5 1.5%</b>	<b>2 .6%</b>	<b>124 36.3%</b>	<b>342 100.0%</b>

**Table 11. Perceived impact of CAP in respect of promotion of harmony** (Percentage distribution of responses by CAP participants)

Perceived impact	Within the small group	Among the poor	Within the village
Very good	83.2	62.8	56.6
Good	13.9	26.3	27.0
Not at all	0.7	4.4	10.2
Don't know	2.2	6.6	5.8
Total	100.0	100.0	100.0

**Table 12. Perceived impact of CAP on social justice related outcomes** (Percentage Distribution of Responses by CAP Participants)

Perceived impact	To reduce exploitation	To reduce the power of corrupt officials
Very good	35.0	13.1
Good	18.2	7.3
Not at all	30.7	46.7
Don't know	16.1	32.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Table 13. Membership in community-based organisations by gender of household member primarily involved**

Name of CBO	% of HHs who are members	% of member households where primary affiliation is through a female HH member
Samurdhi Orga	63.7	52.2
Rural Devt Society	14.6	41.8
Farmer's Orga	18.1	42.0
Women's Orga	21.3	77.7
Youth Club/Society	7.9	40.5
Sarvodaya Samithi	24.3	60.0
SANASA	31.9	62.4
Funeral Aid society	68.4	37.6
Seettu	43.6	57.1
Party Branch	27.2	30.1
CAP small group/GS	37.7	96.8

**Table 14. Perception of female CAP members about impacts of the programme on their lives** (Percentage of female participants claiming positive impacts in relation to given aspects)

ASPECT	%
Importance of small groups in creating a supportive social network for women	84.0
Positive change in the status of women within the community	72.7
Positive change in the status of women within the family	50.7
Positive change in the participation of women in decision-making processes in the village	72.2
On a positive change in the participation of women in decision-making processes in the household	42.1
Positive attitudes from other household members	66.4
On changing conventional ideas about women's capabilities	69.2

**Table 15. Perception of female CAP members about impacts of the programme on intrahousehold gender relations** (Percentage of female participants claiming Positive impacts in relation to given aspects)

ASPECT	%
Favourable change in social division of labour in household	17.5
Reduction in violence against women	17.2

**Table 16. Percentage distribution of loans from CAP small groups and POs according to the purpose of loan**

Purpose	Loans from SG	Loans from PO
Consumption	5.7	7.7
Self-employment	39.5	44.6
Housing	18.9	30.8
Illness	15.1	4.6
Family needs	16.9	10.7
Other	3.8	1.1
Total	100.0	100.0

**Table 17. Percentage of households currently in debt to specified sources**

Source	Percentage of households currently in debt
Retail trader	46.2
Moneylender	14.6
CAP sources	22.4
Samurdhi	35.1
Sarvodaya	7.6
Sanasa	20.8
Banks	9.4

Note: We are unable to compare volume indebted to various sources as many borrowers from sources other than CAP had failed to report the volume of debts to these other sources.

## Annex 2

### Change Agent Programme Household Questionnaire

#### 1. Identification

1.1 Name of Interviewer .....

1.2 Date of Interview.....

1.3 Name of Respondent.....

1.4 Category of Respondent

Male head ☐ Other male ☐

Female head ☐ Other female ☐

1.5 Address.....

1.6 GN Division.....

1.7 Local CAP Office\Prajasakti organization.....

1.8 District

1.9 Household Category

CAP active ☐

CAP inactive ☐

Previous CAP ☐

Non CAP ☐

1.10 Ethnicity

Sinhalese ☐

Tamil ☐

Muslim ☐

Other ☐

### 1.11 Religion

Buddhist

Hindu

Islam

Other

## 2. Household Composition

Id	Name	Relation to HH	Age	Gender	Marital Status	Main Activity	Secondary Activity	Education Level
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								

#### Codes for activity

1. Retired
2. Farming
3. Housewife\househelper
4. Unemployed
5. Student
6. Skilled work
7. Whitecollar
8. Professional
9. Casual wage labor
10. Factory worker
11. Businessman
12. Small Businessman
- Self-employed
13. Foreign-employment
14. Estate Worker
15. Defense Sector
16. Other

#### Codes for household membership

- 1 Household head
- 2 Wife\husband
- 3 Daughter
- 4 Son
- 5 Mother
- 6 Father
- 7 Sister
- 8 Brother
- 9 Nephew
- 10 Daughter-in-law
- 11 Grand son\daughter
- 12 Grand mother\Father
- 13 Other

#### Codes for education

0. Not attending school
1. Grade one
2. grade two
3. Grade three
4. Grade four
5. Grade five
6. Grade six
7. Grade seven
8. Grade eight
9. Grade nine
10. Grade ten
11. GCE O\L
12. GCE A\L
13. Graduate
14. Other Educational Qualifications

Code for Sex      Codes for Civil Status

1. Male
2. female

- 1 Married
- 2 Unmarried
- 3 Divorced
- 4 Widowed

### 3. Socio-Economic Background

#### 3.1 House Type

- ☐ Shanty
- ☐ Mud Hut
- ☐ Old Brick house
- ☐ New Brick house (incomplete)
- ☐ New Brick house (complete)
- ☐ Bungalow Type
- ☐ Quarters
- ☐ Unit in a Govt Housing Scheme
- ☐ Other Type, Describe

#### 3.2 Currently covered by any development/poverty alleviation programmes

- ☐ Samurdhi
- ☐ Refugee\Rehabilitation
- ☐ Resettlement Scheme
- ☐ Any other, specify.....

#### 3.3 Household Possessions

- ☐ Radio
- ☐ TV
- ☐ Push Bicycle
- ☐ Motor Bicycle
- ☐ Other Motor Vehicle
- ☐ Wall Clock
- ☐ Sewing Machine
- ☐ Farm equipment
- ☐ Work equipment
- ☐ Electricity
- ☐ Telephone

### 3.4. The way drinking water is obtained

- ☐ Unsafe well
- ☐ Safe well
- ☐ Common tap
- ☐ pipe born water
- ☐ Other

### 3.5. Land ownership

- ☐ None
- ☐ Squatter | Encroacher
- ☐ Housesite only
- ☐ Housesite and other highland
- ☐ Highland+ Paddy fields
- ☐ Landlord

### 3.6 Does your household currently borrow or obtain supplies on credit from private lenders/grocers or middle men? If so give details.

## 4. Participation in Development\Poverty Alleviation Programs

### 4.1 Program Participation

Name of Program	Participant Status	HH Member	Type of Mobilization	Benefits
Samurdhi				
Janasaviya				
IRDP				
ISURU				
REAP				
Gam Udawa				
Swarna Bhumi				
Water Supply and Sanita				
Sarvodaya\SEEDS				
Sanasa				
Rural Bank\RRDB				
Vocational Training				
Housing Development				

**Participant Status Codes**

1. Currently active
2. Previously active
3. Affiliation only

**Type of mobilizationi**

1. Small group
2. Sharamdana

1. Credit
2. Grant
3. Savings
4. Training
5. Housing
6. Latrine
7. Drinking water
8. Awareness
9. Self-employment
10. Enterprise
11. Empowerment
12. Other specify

## 4.2 Participation in Community-Based Organizations

Name of CBO	Participant Status	HH Member Position held	Type of Mobilization	Benefits	Volume Saved
Samurdhi Organization					Rs.
Janasaviya Organization					
RDS					
Farmer Organization					
Women's Organization					
Praja Mandalaya					
Youth Club					
Sarvodaya\SEEDS					
SANASA					
Funeral Aid Society					
Seettu					
Party Branch					
Vocational Training					
Other					

**Benefits****Participant Status Codes**

1. Currently active
2. Previously active

**Type of mobilization**

0. No Mobilization
1. Small Group
2. Shramadana
3. Discussion Method

1. Credit
2. Grants
3. Savings
4. Training
5. Housing
6. Latrine
7. Drinking water
8. Awareness
9. Self-employment
10. Enterprise
11. Empowerment
12. Death- aid
13. Jobs
14. Other, specify

4.3 Any relations to the organized private sector.

## 5. Information about Current Cap/Ps Participation

5.1 In which year and through what process did you join CAP/ PS?

5.2 Details of any awareness raising or social mobilization programs in which you participated under CAP.

5.3 Information about mobilization and awareness creation in CAP\PS

5.4 According to your opinion what are the main objectives of CAP\PS?

5.4.1 Who are the beneficiaries of this Program?

5.5 Were you a member of a Small group?

5.6 If yes, how many members did you have in your small group\ Who are they (Was it a male, female, or mixed group)?

5.7 What is the total amount of savings in your small group?

5.8 Have you saved before joining CAP

5.9 If yes, how much was saved in what place?

5.10 What are the special advantages of saving in CAP\ PS

5.11 How do you save in CAP

Type	Amount of savings
Small Group	
Divisional Society	
Praja Shakthi	
Other	

5.12 What has s/he been able to achieve through these savings? – Specify different types of use of savings - e.g. for children's welfare (specify)

- for use in accessing better healthcare for self/children/spouse
- for purchase of household items
- to develop agricultural income
- to engage in income earning activity
- other

5.13 Information about loans that members of your family have obtained from Praja Shakthi or its small group

Date	Source	Amount	Rate of interest	Purpose	Usage	Repayment

Codes for Sources

- 1 Small group
- 2 Divisional Society
- 3 Praja Shakthi
- 4 Other

Codes for repayment

- 1 Finished repaying
- 2 Delayed Repaying
- 3 Not paying
- 4 Being paid

5.15 If you have not obtained loan- Reasons?

5.16 have you ever started a self employment? What is it? Do you get help from any institution?  
Describe the help given by CAP or PS

Type of self-employment	Help given by CAP or PS	Help given by other institutions

Codes for help

- 1 Provision of raw material
- 2 Selling
- 3 Helping to find market
- 4 Other

5.17 Is s/he engaged in a micro enterprise through this organisation? If so specify.

If not specify reasons as to why not

5.18 What type of training has s/he been able to obtain through this organisation for the purpose of engaging in micro enterprises

5.19 Where did you get this training from?

5.20 How has this training been used by her/ him; how useful has s/he found this training to be? In terms of:

- developing entrepreneurship
- accessing markets
- negotiating prices
- managing earnings
- employing others for her enterprise
- other

5.21 What does s/he understand by terms of empowerment?

5.22 Is this a term used by the organization?

5.23 How far does s/he think she\he has been able to use her/his involvement in the project to develop her own self (Ability speak in public, ability to come forward, leadership quality)?

5.24 Do you still consider yourself as poor?

Yes ☐

No ☐

5.24.1 Why do you think so?

5.25 If yes what are the reasons for your poverty?

5.25.1 In your opinion has the CAP group helped to reduce the poverty of your family?

5.25.2 Do you think that CAP\PS should have a greater influence to reduce poverty than it has now?

5.26 Describe the influence of CAP on your production activities?

5.27 How has CAP helped to improve the sales of your product?

5.28 How far CAP\PS influenced the following changes in your villages?

Changes	Influence
Harmony in the small group	
To develop harmony in the village	
To develop solidarity among the poor	
To empower the poor	
To empower women	
To reduce exploitation	
To develop self-reliance	
To develop village infrastructure	
To prevent corruption of officials	
To develop cultural activities	

1 to a good extent

2 to a certain extent

3 not at all

4 Ignorant

(Questions from 5.29 to 5.38 should be specifically directed to women members of the Praja Shakthi organisations)

5.29 How does she see her participation in the organisation as changing her family's perceptions of her capabilities – has this change been positive/negative?

- 5.30 Has this change manifested itself in more focus on sharing responsibilities within the household between herself and spouse, between herself and children, between girl children and boy children?
- 5.31 Has there been a noticeable reduction in incidents of domestic violence due to this program?
- 5.32 Is there a better environment to discuss issues such as family planning with spouse/ family elders due to this program?
- 5.33 Does she think the organisation has enhanced the position of women in the family
- 5.33.1 Has CAP\PS increased women's role in family decision-making?
- 5.34 Does she think that the organisation has had an impact on changing perceptions on women's capabilities among the village community?
- 5.35 Does she think the programme has enhanced the position of women in the village community?
- 5.35.1 Has CAP\PS brought in a change in the role women in the decision-making process of the village? Describe
- 5.36 What is the importance of the small group in your network of social relationships?

## **6 Responses of those, who have dropped out of CAP\PS**

- 6.1 When and how did you join CAP
- 6.2 Why did you join CAP?
- 6.3 Information about awareness creation and mobilization in CAP
- 6.4 Were you a member of small group in CAP
- Yes\no
- 6.5 When did you give up CAP?
- 6.6 Why did you give up CAP?
- 6.7 Did you join any other organization after quitting CAP\PS?
- Yes\no
- 6.8 If yes, describe that organization
- 6.9 according to your experiences, what are the weaknesses of CAP\PS
- 6.10 What are the positive lesson that you learnt from CAP\PS
- 6.11 Do you like to rejoin CAP?
- Yes\no
- 6.12 Reasons for your response?

## 7. Responses of those who never joined CAP\PS

7.1 Have you ever heard about CAP\PS?

Yes\no

7.2 If yes, did you intend to join CAP\PS?

Yes\no

7.3 If yes, Why didn't you join?

7.4 Were deliberately kept away by the organizers of CAP\PS

Yes\no

7.5 If yes, why were you removed?

7.6 Do you like to join CAP\PS?

7.7 Give reasons for your response

## 8. Consumption of liquor\drugs in your family

Household Member	Type of Drug	Monthly expenditure

Codes for Drugs

- 1 Narcotics
- 2 Alcohol
- 3 Cigarette
- 4 Other

9. Has CAP\PS made an influence on reduction of the consumption of drugs\liquor

10. What are the other grants that you receive through CAP\PS

11. Other observations

## Annex 3

### Terms of Reference for CAP II

#### 1 Background

The Change Agent Programme (CAP), has been a distinctive even if a small component of rural development/poverty alleviation programmes of the government of Sri Lanka since 1978. The objectives of the programme as well as the strategies pursued underwent considerable change over time in response to internal and external pressures. However, from the beginning the key aim of the programme was to promote awareness and motivation among the rural poor through a process of catalytic intervention designed to evoke their collective energies towards achieving economic and social advancement. “Social mobilisation” was the keyword. The primary concern of CAP in the initial period was to catalyse the poor through a cadre of well trained and highly motivated change agents who would help the poor to probe into and guard themselves against oppressive and exploitative intermediaries in production and market relations. In more recent times this preoccupation with social mobilisation has been overshadowed by efforts to develop community-based savings and credit operations designed to promote income generating activities and enterprises among the poor.

The Rural Development Training and Research Institute (RDTRI), a government agency established in 1973, has been instrumental in developing and administering CAP from its inception. In the initial years the programme suffered several setbacks due to lack of funds, administrative shifts, staff turn over and changes in policy environment. Sida began supporting CAP in 1987. Between 1993 and 1998 the implementing organisation, RDTRI, covered 85% of the CAP budget with contributions from Sida.

The phasing-out of Swedish support to RDTRI was accompanied by the formation of an independent national -level NGO and over 30 regional level NGOs, owned by the beneficiaries of the programme. RDTRI has continued to assist the new organisations with training and advice. RDTRI also provides training for Samurdhi, the large GOSL poverty alleviation programme.

It is generally acknowledged that CAP has been successful in reaching the poor and in creating awareness, initiative and improved living conditions among the approximately 6 700 groups that have been formed during the life span of the programme. From the beginning, CAP was the only programme of its kind in Sri Lanka. In the course of time other development programmes for the rural poor have appeared. Many have learnt from CAP.

In the process of this development a somewhat ambiguous attitude towards CAP has emerged. Although the importance of social mobilisation is recognized, it has been questioned whether mobilisation has to be achieved by such a lengthy process. Other types of criticism include allegations that CAP has not raised the incomes of the poor enough and that their activities have failed to “mature” into enterprises which could provide employment on a larger scale. Another argument is that CAP’s social mobilisation process is not well adapted to the features and requirements of a market economy.

There are now a variety of development programmes operating in rural areas of the country, many of them practising small group-based savings and credit schemes and a certain dose of “social

mobilisation”. Nevertheless, the staff of RDTRI is convinced that there is no “quick fix” of handouts or credits that can bring about a lasting improvement of the situation of the poor.

In 1999, it was decided to carry out an evaluation of CAP divided into two phases, CAP I and CAP II. The findings of CAP I was presented in May 2000 and the consultants gave recommendations for CAP II. These have subsequently been discussed both in Sida/Stockholm and, in particular, in Sri Lanka, where a workshop was arranged in November to initiate CAP II with an LFA-type exercise in order to clarify e.g. ownership, motives for pursuing the evaluation and the approaches of the second phase.

The present inception report builds on the original TOR for final evaluation of CAP prepared in 1999, findings of CAP I, findings of LFA workshop held in November 2000 and preliminary work under CAP II.

## **2 Purpose and scope of the evaluation**

The overall aim of the second phase of the evaluation is the same as that of the first: To assess the relevance, effectiveness, impact and sustainability of the CAP programme, and to recommend possible courses of action for future. The assessment should include a discussion of how the distinctive characteristics of the CAP methodology, especially the social mobilization process, have contributed to results/effects.

This evaluation will focus on the operation of CAP since 1987.

The main focus should be on the fundamental objectives of the programme, i.e. to reduce poverty and support democratic processes through the development of a methodology for participation which includes the training of a cadre of animators. The programme should be analysed in relation to GOSL poverty policies as well as Sida’s overriding developmental aims and Action Programmes, with particular emphasis on the Poverty and Gender Programmes. Effects on children are to be assessed whenever possible.

Sida’s view is that development consists of a steady improvement in people’s freedom of choice, security and control over their own life situation. Poverty is a lack of material resources but also of security, capabilities, opportunities and power, referring to a situation that has several dimensions. Efforts to fight poverty gains in strength if a human rights perspective is applied. It is important to analyse how development projects contribute to poor people’s possibilities to exercise their human rights and how such projects support democratization processes on different levels, from local to national ones. In the case of the CAP programme, it is essential to find out the views held by the participants themselves: How do different categories of the target group define poverty and empowerment, and how do they judge the results of the programme?

### *Primary stakeholders*

Primary stakeholders of the evaluation are CAP group members, RDTRI and Sida.

### *Group members*

The findings are expected to enhance the knowledge and understanding of group members with regard to the processes in which they have been/are involved and thus assist them in future activities with similar aims. It is therefore vital that they take part in decisions on the topics of the evaluation, as well as which criteria and indicators to use. This will increase the relevance of the outcome and hence the usefulness of the report to the groups.

### *RDTRI*

The staff of RDTRI is convinced that a profound and lasting transformation of the submissive attitude that is the sign of deep-rooted poverty can be achieved by implementing a CAP-type methodology, in other words, through a process of conscientisation. This conviction has led RDTRI to start a process of reflection upon possible options for a new initiative of social mobilisation. Some of the main questions the Institute is presently posing is whether there are particular groups among the poor (e.g. “the poorest of the poor”), for whom a CAP-type methodology would be especially suitable or whether a different approach would be needed, for instance one that starts at an even more basic level with components of counselling and adult education. RDTRI expects the evaluation to provide results that can assist them in their future orientation with regard to such issues.

### *Sida*

Sida, in turn, expects to be able to use the knowledge gained through the evaluation to enhance the quality of its work to develop effective, participatory and gender sensitive methods for poverty reduction. If deemed relevant, “lessons learned” from the evaluation, including the characteristics of the CAP programme, will be communicated to other development partners.

## **3 Issues to be covered by the evaluation**

The key issues to be covered in this investigation have been identified through a review of TOR formulated in October 1999, findings of phase I of the evaluation, an LFA exercise conducted in November 2000 and review of literature, preliminary field visits and interviews with stake holders conducted as part of phase ii of the final evaluation of CAP.

### *Background*

- A review of key changes in approach used in CAP from its inception up to now with a focus on changes since 1987.
- Changes in number of beneficiaries, number of small groups, number of social mobilizers and volume of group funds and type of activities under CAP since 1987.
- How did CAP adapt itself to various changes in programme environment at various stages of its development?
- The local, regional, national and international context of CAP

### *Relevance*

- Relevance of the programme in relation to the situation of the target population, i.e. poor rural groups, including goals and values, coping strategies, opportunities and obstacles.
- Relevance of the programme in relation to GOSL rural development and poverty alleviation policies, approaches and programmes.
- Relevance of CAP for NGO and civil society initiatives in participatory development and poverty alleviation
- Relevance of approaches and activities undertaken as related to Sida’s Action Programmes concerning Poverty Reduction, Gender Equality, Democracy/Human Rights and the Environment.

## *Effectiveness*

### *In empowering the poor*

- Effectiveness of efforts to create consciousness among the poor regarding reasons for their poverty and means to overcome them.
- Articulation of common interest and development of mutual support among the poor
- Reducing dependency of poor on government subsidies as well as on private money lenders, middlemen and the like.
- Increasing self-reliance and promoting positive lifestyle change among the poor
- Which categories of people have been reached effectively and which categories have been left out and why?
- The extent to which the target populations have developed a sense of ownership about the programme.

### *In creating social spaces for poor rural women in particular*

- Effectiveness of CAP in promoting group activity among poor rural women.
- Effectiveness of CAP in promoting dignity and social recognition accorded to poor rural women
- Effectiveness of CAP in opening new avenues to socially underprivileged, including poor rural women

### *In promoting livelihood security of the poor*

- Effectiveness of CAP in improving savings and promoting income levels of the poor.
- Effectiveness of CAP in diversifying income sources of the poor.
- The success rate of income-generating activities and micro-enterprise supported under CAP in comparison to those initiated under Samurdhi and other programmes.
- Any effect of CAP on improving the living standards of the households in vital areas such as housing, food security and education level.

## *Impact*

- “Empowerment”: Discussion of discernible/probable impact of the programme in terms of empowerment. Interpretation, operationalisation and concrete manifestations of this concept.
- Impact of CAP on enhancing the bargaining power of rural poor within markets and vis-à-vis other groups in rural society.
- Impact on productivity and profitability of rural production processes.
- Impact on poverty reduction.
- Impact on gender relations/gender equality, including an analysis of possible negative effects. Awareness of gender issues and possible changes over time. Strengths and weaknesses of a programme aiming at sustainable poverty reduction which works mainly through women.
- Possible, unintended negative impact on certain social categories, e.g. the “poorest of the poor”, migrants, war refugees or ethnic minority groups.

## *Process analysis*

- Roles and influence of RDTRI, trainers, change agents and volunteers in relation to the small groups: analysis of how these factors have evolved and changed during different phases of the programme.
- Form and quality of the relationship between CAP/RDTRI and the Samurdhi programme: changes, their causes and implications.

- Analysis of the factors and processes which have led to a situation where the great majority (84% on average) of the members of small groups are women.
- Any changes in the effectiveness and impact of the programme following its transition from a primarily a mobilization programme to programme aiming at promotion of income generating activities among the poor.
- Roles and relationships of GOSL and Sida, respectively, with regard to support for CAP/RDTRI: Strengths and weaknesses of approaches and strategies applied. Lessons learned for similar institutional support in the future.

### *Sustainability*

- Implications of the fact that CAP was a government programme, e.g. what this meant in terms of creating a possible dependency on the government, as well as for relations to the NGO sector. Pros and cons of working with poverty reduction strategies through social mobilisation within a government programme. Comparison of CAP results and their probable sustainability with results obtained within other social mobilisation programmes initiated by NGOs.
- Future prospects of the small groups, particularly whether they will be able to continue functioning without social mobilisers/volunteers.
- Future prospects of RDTRI, trainers, change agents and volunteers.
- Overall sustainability, i.e. the capacity of RDTRI and the apex organisations, now merged into the national-level NGO Prajashakthi Maha Sangamaya, to survive and continue to develop. Opportunities and risks at different levels. Alternative solutions.
- Experiences of importance for future development planning within the new Regional Economic Advancement Programme, REAP, successor to the IRDPs.
- Lessons to be learned with regard to sustainability from the design and implementation of the phasing-out process.

### *Overall socio-economic and political context*

[ To be developed from the interim report]

- Effects on the programme of macro-economic changes and economic liberalisation in Sri Lanka.
- Effects on the programme of the national ethnic conflict.
- Effects on the programme of national, political processes, including government administrative policies, elections and patron-client relations.

### *Economic efficiency and cost effectiveness*

[To be developed from the interim report]

- The evaluation should discuss the economic efficiency of activities, and, as far as possible, the overall cost-effectiveness of the programme in comparison with other approaches used in programmes with similar aims carried out by IRDPs and NGOs.

## **4 Methodology**

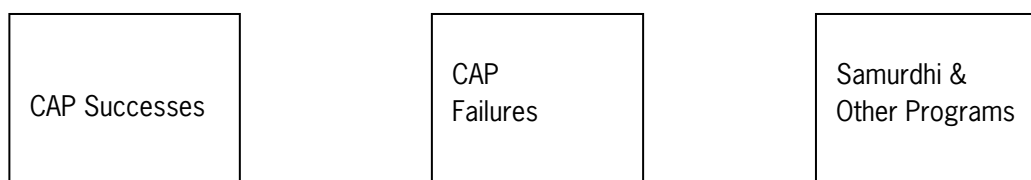
CAP I results were derived from a preliminary desk study of available documentation in addition to information gained through interviews with different type of stakeholders, including a certain number of members of small groups.

CP II will involve a more comprehensive literature survey, more extensive fieldwork, and consultations with beneficiaries and other stakeholders. A combination of qualitative and

quantitative methods will be used in order to assess effect, impacts and sustainability of CAP as well as to determine the factors/ processes associated with the success or failure of CAP activities.

A participatory process has been used to identify the issues to be covered in the evaluation as well as to determine the indicators of success. Draft TORs were reviewed in two stakeholder workshops one held in RDTRI, Colombo on March 26, 2001 and the other held in Pilimalalawa RDTRI centre in Pilimalalawa on April 5, 2001. The first workshop brought together all three members of the evaluation team and representatives of RDTRI, SIDA, and the research community in Sri Lanka. The second one, which was organized on the basis of a decision taken at the end of the first workshop, involved two members of the evaluation team, staff of the Pilimalalawa Centre and representatives of small groups at the village level and Praja Sakti Organisations at the regional level. At this workshop representatives of praja sakti organizations and small groups emphasised the need to investigate the ability of mobilized groups to identify, demand and secure services from the relevant agencies in rural areas besides promoting mutual help activities among the poor. In addition detailed indepth discussions were held with some of the pioneer trainers who have now left CAP.

The field investigation will be designed to facilitate a three-way comparison as follows:



In the selected field sites CAP operations will be compared with those under Samurdhi and other projects seeking to achieve poverty alleviation via participatory rural development in order to determine the similarities and differences in approach and related differences in outcomes. Similarly ongoing groups processes initiated by CAP will be compared with local CAP groups that have collapsed within the past few years in order to determine any differences in approach and differences in target populations etc. that may explain the differential outcomes. As many of the previous evaluations of CAP have concentrated on the experiences of ongoing CAP operations to the neglect of CAP activities that failed, it has not been possible to arrive at a realistic assessment of the programme in general as also pointed out in some of the previous evaluations (Lindahl, Softestad, Wanasinghe & Etnfors 1991).

The field survey will cover 12 operational units (Prajasakti level) of CAP selected on the basis of geographical, socio-economic and programme characteristics. In each area the following data collection procedures will be carried out.

1. Collection of basic information about the project activities through interviews with main stakeholders.
2. Case histories of successful and unsuccessful group processes under CAP and ongoing group process under other selected programmes, including Samurdhi, Sarvodaya SEEDS, and other selected participatory development projects with a focus on poverty alleviation.
3. A household survey covering about 25 households from each of the selected areas, constituting a total sample of about 300 households. In selecting households a random procedure will be followed, but efforts will be made to obtain 10 households currently or previously covered by CAP, 10 households currently covered by Samurdhi or any other poverty alleviation \ rural

development programme and the remaining 5 households from among the poor households not covered by any of the programmes. In the analysis of the data efforts will be made to identify any systematic differences among the different categories of households. Questionnaire instrument for the household survey is currently being developed by the consultants on the basis of information collected from literature survey and field visits.

Social science graduates trained and supervised by the team of evaluators will carry out Field Survey. They will follow participatory principles in all aspects of conducting field investigations.

<i>Activity</i>	<i>Weeks</i>
i. Literature review	2
ii. Field visits to small groups	3
iii. Analysis of results of (i) and (ii), inception report	2
iv. Stakeholder workshops, specification of issues and methods	1
v. Training of interviewers	1
vi. Case studies/survey (to be decided)	8
vii. Processing of data. Report writing	5
viii. Seminar based on draft report	1
ix. Writing of final report	2
<b>Total:</b>	<b>25</b>

The number of weeks given for each phase is not an estimate of the workload – more than one person may be working during the same week – but of the time estimated to be needed for the activity.

### *Time Frame*

CAP Phase ii will be carried out during the period from March to July, 2001.

Selection of field sites will be done in the last week of March 2001.

Development of data collection instruments will be done in the first week of April 2001.

Investigators will be selected and trained in the third week of April 2001.

Data collection will be undertaken from April 21 to May 15, 2001.

Data entry and analysis are to be undertaken from May 1 to May 31, 2001.

The draft final report will be submitted by July 30, 2001.

## **5 Reporting**

The draft report as well as the final report shall be written in English and not exceed 50 pages, excluding annexes. Format and outline of the report shall follow the guidelines in *Sida Evaluation Report – a Standardised Format*. (Annex 1). Four copies of the draft report shall be submitted to Sida no later than July 31, 2001. Within two weeks of the seminar a final version of the report, in four copies and on diskette, shall be submitted to Sida. Subject to decision by Sida, the report may be

published and distributed as a publication within the Sida Evaluation series. The reports shall be written in Word 97 for Windows, or a compatible format, and should be ready for publication without further editing.

The evaluation assignment includes the production of a Newsletter summary, following the guidelines in *Sida Evaluations newsletter – Guidelines for Evaluation managers and consultants* (Annex 2) and also the completion of *Sida Evaluations Data Work Sheet* (Annex 3). The newsletter summary and the Data Work Sheet shall be submitted to Sida along with the final report.

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