



Contact address: Nandasiri Gamage, President, Community Resource Centre, 151/13, EZone, Seevali Pura, Borella - Colombo 08, Sri Lanka

Praja Sahayaka Sewaya (Community Assistance Service)

Nandasiri Gamage

THE PRAJA SAHAYAKA *Sewaya* (Community Assistance Service) grew out of the experiences of community leaders in assisting the Sri Lankan government's National Housing Development Authority to carry out the "Million Houses Programme". This development authority began to implement the Million Houses Programme through Community Development Councils. These councils had been established by the Municipal Council of Colombo during the late 1970s to better implement a health plan for the city. The Council wanted to improve basic services and infrastructure such as water supply and health services but they often found a low level of community participation; in some areas in which they were working, there were no community organizations at all. Community Development Councils were planned for communities of about 50 - 100 people. A constitution suitable for adoption by each council was prepared by the Municipal Council; office bearers, annual general meetings, monthly membership meetings were all required. The Community Development Councils were all registered under the health department of the Municipal Council.

By the time the National Housing Development Authority came to implement the Million Houses Programme (now the Million and a Half Houses Programme), the idea of Community Development Councils had spread beyond Colombo into other areas in the country. However, a number of professionals became increasingly aware of the shortcomings of these Community Development Councils. The structure did not encourage the community to become active in managing its affairs and maximizing its potential for self-development. The problems of working with the government bureaucracy were also apparent. Government staff have to work with administrative and financial rules and therefore were not able to respond to the pace of community activity. Government staff were easily deterred by practical problems such as rain and vehicle breakdowns; the community leaders carried on regardless of such obstacles.

In 1986, the National Housing Development Authority began to recruit community leaders to act as *praja sahayaka* (literally community assistants). These were individuals from low-income com-

munities who had worked successfully on shelter improvement programmes within their own communities and who were able to go into other communities to initiate a similar process there. The Authority also asked them to carry out a programme to support small enterprises. Problems quickly arose between the needs and perspectives of the community assistants and other staff in the Authority.

After discussions with the National Housing Development Authority, a group of community leaders decided to form the *Praja Sahayaka Sewaya* or *Praja Sahayaka Service* (PSS). The organization was registered as a non-profit company early in 1990. The first three months salaries for eight workers were paid by the National Housing Development Authority, drawing on funds received from the United Nations Centre for Human Settlements (Habitat) through the UNCHS/DANIDA Community Participation Training Programme. Now, the funds are obtained directly from UNCHS (Habitat) without the intervention of the National Housing Development Authority.

The funding was an important factor in supporting the development of the new institution. The PSS was established as a membership organization with the following conditions:

- * members must be active community leaders in their own neighbourhoods;
- * members must be able to devote up to ten days each month to extending development support services to other low-income settlements;
- * members must commit themselves to working towards a greater openness, participation and accountability in the organization in all aspects of its work.

After consultation with several interested communities, staff at PSS decided to operate with three programmes focusing on community mobilization, support to small-scale enterprises and women's development. There was also a fourth area of work, coordination and monitoring. While the first three programmes are considered to be separate areas of work, the aim of the fourth is to integrate, review, monitor and evaluate their work.

The first months were spent working with 25 communities, all in the Greater Colombo area. During the subsequent two years, the scale of the initiative increased to 100 communities in Colombo and, from 1991, ten communities outside the capital. By the end of 1991, the PSS was active in five urban local authority areas: Colombo, Kotte, Kolonnawa, Peliyagoda and Wattala-Mabole-Hendala.

The strategy of each programme within a settlement has been similar. Groups have been formed from interested members of the community and these groups consider their own needs and, where appropriate, set up specific organizations to meet these needs. In some cases, the settlement has already learnt about the work of the PSS and seeks their assistance to implement a programme within their settlement. Where the programme is new to the settlement, a local workshop is held to present and discuss these issues. Local money-lenders living within the community are not eligible to join any PSS women's groups. Originally group members were also not allowed to be active in party politics. However, this rule has now been modified to allow those active to remain as group members but they are not allowed to hold office within the organization. To date PSS has spawned a number of additional institutions (see Box 1).

Box 1: *Praja Sahayaka Sewaya* (Community Assistance Service) and Subsequent Institutions (located within the Programmes from which they Developed).

Community Mobilization Programme:	Community Cultural Foundation, Children's Cultural Societies
Economic Support Programme:	Workers groups (savings and credit) Thrift and Credit Cooperative Societies
Women's Development Programme:	Women's Assistance Service Colombo District Women's Thrift and Credit Cooperative Society
Housing Cooperatives Programme:	Four Housing Cooperatives
Coordination and Monitoring:	Housing Cooperative Federation

Each programme initiated its work in a similar way. Having first created an interest at the community level and encouraged groups to form within the community, the leaders of those groups meet each month. They discuss how the needs of their community might be met. Once they have identified and agreed on a strategy to follow, the group leaders and members carry out the programmes with the support of a relevant government or non-governmental organization. By 1993, employment had grown to 14, six of these at PSS itself and a further eight in the Women's Assistance Service.

Women's Assistance Service (*Kantha Sahayaka Sewaya* - KSS)

This developed from the Women's Development Programme initiated by PSS in 1991. The Women's Development Programme started a number of women's groups, currently numbering 175 in total, 49 of which are in Colombo. One of the first problems that such groups had to face is that of debt and lack of capital for investment. Small savings groups were started which later grew into the Colombo District Women's Thrift and Credit Cooperative Society, incorporated in 1992. With the establishment of this Society, it was agreed that the Programme should become a separate institution, and the Women's Assistance Service was formed. More recently, the Women's Assistance Services decided to organize at a national level and form the Sri Lanka Women's Thrift and Credit Cooperative Society Union.

The Service developed from the initial work of PSS and the Women's Development Programme with women in the community. Small self-help groups were initiated in low-income settlements. These groups established small regular savings by members. This activity became

the basis for developing an understanding of savings and credit among the women. Once each group achieved Rs 500 in savings, they opened a bank account and received a small starting grant from the UNCHS/DANIDA fund through the National Housing Development Authority. This grant enabled the group to make loans to members. The conditions are, generally, that first loans are small and that a service charge of 1 per cent a week is made to cover administration

Box 2: Women's self-help groups.

The membership of each group is not less than five people and not more than 15. All members must live in close proximity and should work together on the basis of mutual understanding and mutual reliance. All can join the group except local money lenders. The group select their leader who is also the treasurer. They also select a secretary to take down the minutes of all meetings - which must be held at least once a week.

Every member must save at least Rs 5 each week and they may save more if they wish. If there is an emergency, they can have access to these savings.

Collectively, the group members try to build up a new approach to overcome their problems. The group is a forum for women to discuss, plan and implement new ideas.

Every group is given a small tool kit by the KSS including account and minute books and a steel cash box and a fixed set of rules in respect of the cash box. After the weekly meeting, all members are informed of the total balance which is then placed in the box. The box remains with the treasurer but the key is given to another member chosen by the group. The woman with the key is responsible for the money. A duplicate key is sealed and left with the KSS. If a member needs an emergency loan, she goes to the key holder and then goes with her to the treasurer's house. The transaction is completed in front of these three group members. If the key is lost, the group is responsible for cutting a new key and changing the box.

costs. Women used these funds for a variety of needs including: repayment of more expensive debts, education, emergencies and investment in small income-generating activities. From these groups, the Women's Thrift and Credit Societies described below emerged.

The self-help groups were not only useful for credit. They brought the women together and reduced their isolation. Women exchanged useful information. In some groups, women began to undertake collective activities to improve their local environment and improve their incomes.

Now that the Colombo District Women's Thrift and Credit Cooperative Society has been successfully established and is self-sufficient in meeting its own organizational needs, the Service has been considering other programmes it would like to develop. These include

1. Kiriwandeniya, P.A. (1992), "The growth of the SANASA movement in Sri Lanka" in Edwards, Michael and David Hulme, *Making a Difference: NGOs and Development in a Changing World*, Earthscan Publications Ltd., London

education services, help to purchase school books, nutrition programmes and health services.

Thrift and Credit Cooperative Societies

The Thrift and Credit Cooperative Societies are a settlement based institution. They have been established in Sri Lanka for over 80 years and, at present, some 7,000 societies are in existence.⁽¹⁾ Most of these societies have been rural and the PSS has been helping groups of urban poor to organize themselves into a society. Anyone in the settlement over the age of 18 can apply for membership although only those over 21 are legally entitled to hold office. Small groups can apply for group membership.

Thrift and Credit Cooperative Societies are almost entirely dependent on their members' savings and shares. Members of the society are expected to buy shares in the organization, each of which costs Rs 100. Any person wishing to join a credit society has to pay an admission fee (which is determined by the membership - usually between Rs 10 and 25) and put in Rs 100 of share capital. This is equal to the value of one share and the amount and contribution are defined in the Cooperative Act. Monthly saving is compulsory, although different groups are free to establish the minimum monthly contribution. The minimum contribution has to be the same for all members of the group. In the Women's Thrift and Credit Cooperatives, 5 per cent of all loans made are deducted and placed in the member's compulsory savings account. Each organization has a different rate of interest. For example, the women's saving groups charge 1 per cent a week, the men's groups 2.5 percent a month.

In 1989 and 1990, Rs 120,000 was provided by UNCHS (Habitat) to establish revolving loan funds for women's groups. Each group received between Rs 5,000 and 7,000 depending on the number of members. The management of the fund was the responsibility of the group. At this time, groups held their money in a local branch of a commercial bank. Since the formation of the Colombo District Women's Thrift and Credit Cooperative Society, all money has been held with the Union, which has a single account at the Bank of Ceylon.

The rate of interest charged on loans from the Women's Thrift and Credit Society is 48 per cent. This charge is made up from a number of different components. Six per cent is passed to the group leader to cover the costs associated with managing the loans (bus fares, stationery and such like). Twelve per cent is allocated to a welfare fund (to which members also pay Rs 10 each month). The fund pays out to members if the person with the loan or another member of the family dies. About half of the remaining 30 per cent is paid to members as interest on their savings. After deducting overhead charges, three-quarters of the amount left is distributed as profits to the members who are all shareholders of the Society and a quarter is paid to the reserve fund of the Women's Bank.

The Women's Thrift and Credit Society is made up of three categories of groups: new groups, savings groups and graduated groups. New groups are women's groups who are recently formed and who have not yet begun a credit programme with the Women's Bank. Savings groups are those who have both maintained a successful five-month savings programme and have passed a test on the rules and regulations of the organization. Approximately five to

six months is needed to become a member of the Women's Bank. Graduated groups are those who have completed a successful credit programme. Credit is initially given in three one-month loans: the first is for Rs 250 per member and for the second and third this amount rises to Rs 375 and Rs 500, respectively. Loans are given to the group, to be allocated to the individual members. The total amount of the loan is delivered to the group as a group loan and the group passes the loan onto the individual but remains responsible for repayment. The group leader must go to the bank to make the repayments. Once a group has managed this loan programme successfully, they become a graduated group.

A supreme general meeting of the organization is held every year and monthly general meetings are held in the intervening period. The Executive Committee is formed from all those groups currently in receipt of loans. The Board of Directors is drawn from the Executive and this body is responsible for approving all loan requests (once the group to whom the individual belongs has agreed).

The maximum size of a loan to be used for consumption activities is Rs 2,000. However, clearly, this is not sufficient for housing and some income-generating projects. Groups that have completed successful loan programmes may be eligible for loans of up to Rs 15,000 which can only be used to invest in housing or capital for income-generating enterprises.

Economic Development Support Services

This programme was initiated to further support communities that have already been involved in the community mobilization programme. The programme includes a number of measures to increase employment opportunities. The PSS encourage the formation of informal groups and cooperatives for income-generating activities and to meet other needs, for example, helping workers to establish savings and credit schemes. In general, these workers are already artisans with a skill and do not need additional professional training but they do need access to finance. PSS also support the formation of small groups able to build and develop local infrastructure and service facilities. To strengthen the organizational and managerial capacity of the new enterprises, some training is provided in accounts. Additional support such as credit and technical services is available from other institutions and the role of PSS is to help the community in gaining access to these resources.

Housing Cooperatives

Four housing cooperatives have now been established. They were first established as savings groups but it was immediately apparent that their funds would not be adequate for housing investment. An application on behalf of Kotte Cooperative was made to the Janasaviya Trust Fund, a government poverty alleviation programme of the government and originally funded by the World Bank. This cooperative was set up in 1990 and by the end of 1991 had built up a share capital of Rs 60,000 (US\$ 1,250) and collected savings equal to Rs 130,000 (US\$ 2,700). The first request to the Trust Fund was for Rs 200,000 (US\$ 4,200) as a grant with a further Rs 7 million (US\$ 146,000) for a loan. After some negotiation, the government agreed to provide the Cooperative with a grant of 7.1 million rupees (US\$148,000).

on condition that the money is lent to members. Once they repay the loan, the funds will be available for further investment. The funds will be lent at an interest rate of 21 per cent a year. The cooperative has about 326 members drawn from 310 households. The land for the site has been purchased and cost just under Rs 2 million. The Trust Fund recently went back on its previous promise, as the World Bank refused to authorize the loan because it is not for income-generating activities and it does not want to support investment in housing. A new proposal requests Rs 3 million (US\$ 62,500) of grant and loan finance to develop the site. The four housing cooperatives have also formed a Housing Federation to share their experiences and provide a forum for developing projects of common interest.

Community Cultural Foundation (*Praja Sanskruthika Padanama* - PSP)

The Community Cultural Foundation was formed recently to help young people undertake music, dancing and acting. The PSS had noticed that there were many local cultural activities that were casually enjoyed by young people but that there were no opportunities for the most skilled to become professionals in their field. The PSS recently established the Foundation to provide more support to develop these skills and to assess the possibilities of cultural activities being a source of regular employment. The organization is currently making funds available for two staff members but additional funding is needed for further training.

Community Resource Centre

This seeks to act as a resource centre for many different organizations, both individual community organizations and federations of community organizations. This is one of the newest organizations and was set up by PSS less than a year ago. It is an umbrella organization to which all of the organizations established by PSS belong. Three or four additional staff are needed by the Centre but, to date, they have only been able to employ a caretaker for the building whose salary is paid by PSS. Every member of the Centre has a place on the Board. To date, the Board has focused on agreeing the criteria for admitting new members. In the future, staff hope to develop information and training services.

Future Plans and Needs

In 1993, PSS wishes to expand activities into four or five new local authority areas. It has recently been approached by the government to give assistance in the reintegration of Middle East workers recently returned to the area. PSS has not yet agreed to accept this work since it is anxious to have the right to determine the methodology used in the project.

The organization's greatest need is for equipment to support the work of the newly formed institutions. At present, there are no funds for even the most basic office equipment such as cupboards, tables and typewriters. Although PSS is working in eight districts in Sri Lanka, it does not own a single vehicle.