

# **Resources -Based Economic Activities for Rural Women in Puttalam District**

**T.A. Dharmaratne  
S. Dharmalingam  
Ranjane Athukorala**

**Research Study No.101**

**January 1999**

**Hector Kobbekaduwa Agrarian Research & Training Institute  
P.O. Box 1522, Wijerama Mawatha  
Colombo 07.  
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## **FOREWORD**

Increased attention has been paid in recent years by a multitude of government and non- governmental organizations to promote self-employment, with a view to complementing the employment generation efforts in various sectors of the Sri Lanka economy. Therefore, self-employment has become one of the major policy strategy, as well as a policy instrument to reduce the unemployment especially among the women in the rural sector. The major constraints are the lack of market information and non availability of market potentials in relation to the agricultural and industrial products. Therefore, this study was an attempt by the HARTI to identify the economic resources, market potentials and suitable institutional set up for planning and implementation income generating projects in the Puttalam District.

The analysis shows that at the initial stage of the self-employment projects, the projects have performed well, but failed within a year due to problems of marketing. This appears to be due to the macro economic policies under the liberalized economic framework. However, the information provided by the study is useful for policy makers, planners and development practitioners who are interested in planning and implementing the self employment projects of this nature by the governmental and non-governmental organizations. This was a commissioned study on the Integrated Basic Services Project (IBSP) of the Integrated Rural Development Project and it was conducted by Mr. T.A. Dharmaratne, Miss. S. Dharmalingam and Mrs. A. Athukorala of the HARTI.

**Dr. S.G. Samarasinghe**  
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## **CHAPTER ONE**

### **Resources-Based Economic Activities for Rural Women in Puttalam District**

#### **Introduction**

The problems of development/under-development of rural areas have been accorded priority in many developing countries as millions of people in rural areas are mal-nourished, uneducated and lack proper housing facilities. This gave rise to a variety of theories and approaches on rural development. The concept of Integrated Rural Development (IRD) was popularized two decades ago as a non-traditional approach to development. The basic philosophy of this approach is improving the quality of life of all the people in rural areas through better and more efficient utilization and allocation of available resources. The subject of contemporary rural development focuses on "Equity objective of various kinds - especially the reduction of inequalities of income and employment and access to public goods and services, and in the alleviation of poverty" (Harriss J. 1982:15).

Although all Rural Development Programmes have focused on the overall development of men, women and children, evaluation of studies carried out in Sri Lanka has shown that women are not considered as participants in mainstream development of the country but seen as consumers of social services.

The need to integrate women in development programmes and plans in Sri Lanka was given an impetus with the UN decade for women. The outcome of which has been a proliferation of special projects for women promoted by international and national institutions as a means for integrating women in development. Income generating projects or self employment activities with a bias towards home economics were seen as a model for integrating women in development. The introduction of such projects and activities was seen as providing economic and social status to women belonging to the low income groups who are among the disadvantaged categories in the population. However, while contributing towards

the economic independence of women, these programmes and projects have failed to address women's needs and problems on the basis of the overall national development plan. This could be attributed to several factors such as the adhoc nature of most of these projects and programmes, lack of institutional support for marketing that has inhibited women's involvement as primary or co-earners in family income and have relegated their income as helping to supplement family incomes.

The Integrated Rural Development Programme in Sri Lanka was started originally in the late 1970s in order to channel resources to those districts which did not benefit from the major national development efforts under the Mahaweli Project and the Greater Colombo Economic Commission. To accelerate the economic growth and to improve rural living conditions, the Government of Sri Lanka has adopted measures for decentralized planning in the country's 25 districts. As part of the decentralization programme, the Government of Sri Lanka undertook a number of Integrated Rural Development Projects. These projects emphasized low-cost, quick yielding, and labour-intensive investment aimed at better utilization of existing infrastructure and resources (human and natural). In the past 10 years, the Government of Sri Lanka has allocated US \$200 millions towards IRD projects which have been implemented in 12 of the 25 districts.

Puttalam is one of the key districts where an Integrated Rural Development Project was implemented. The district covers about 1172 sq. miles. The population density varies from less than 200/square mile in the northern part of the district to over 1000/sq. mile in the southern part of the district. The majority of the population of Puttalam district live in rural areas while 56 percent of them are food stamp recipients. The level of malnutrition in the district is high. The population at the census of 1981 was 492,533 comprising 250,629 males and 241,904 females. Male and female employment rates (1981) were 68.8% and 18.8% respectively. Of the employed, nearly 50% are engaged in agriculture and related activities. The unemployment rate of the district is relatively high, approximately 12% in both urban and rural areas.

As part of the Integrated Rural Development Project in Puttalam district, the Government of Sri Lanka and the United Nations Children Fund (UNICEF) are undertaking an Integrated Basic Services Project (IBSP). The project is implemented through existing government and non-government agencies under the overall supervision of the Ministry of Policy Planning and Implementation. The project covers 10 AGA divisions of the district.

The main target group of this project consist of low income families living in the undeveloped areas in the district. The major objective is to improve the health and nutritional status of children and women by providing a package of basic services, and improving their social and economic conditions by promoting their participation in development activities.

Within this framework, income generating projects for rural women are scheduled to be implemented during 1992-96 in 10 Divisional Secretarates in the district through the Integrated Basic Services Project of Puttalam. The IBSP and UNICEF have implemented a training programme to promote self-employment opportunities for rural women in their own villages. According to the project documents, the participants of training will be mothers in the lowest income group having at least one child below 5 years of age and receiving Janasaviya assistance of food stamps.

The traditional approach to self-employment projects for women has been that individuals were trained in income generating activities, which in most cases, eventually did not succeed due to the lack of marketing facilities for their produce. The IBSP and UNICEF have commissioned the Ararian Research and Training to study the marketing potential of various income generating activities undertaken by the women in this district in order find a solutions to this problem. This study seeks to evaluate the viability of self employment projects taking into consideration the training programme and the economic resources in the area.

### **1.1 Objectives**

1. To identify and evaluate the economic resources available for self emmployment programmes in the Puttalam district.
2. To evaluate the marketing potential of the self-employment opportunities available in the district.
3. To study the constraints related to production and marketing of small enterprises.
4. To identify a suitable institutional set up in dealing with income generating project for planning and implementation of such projects.

## **1.2 Methodology**

A Rapid Rural Appraisal (RRA) will be used as the major tool of investigation for this study.

Methods of data collection adopted are unstructured in-depth interviews with women in each Divisional Secretary's Division, participatory observation by researchers and study of official documents and other related reports.

## **1.3 Limitations of the Study**

Since the study was completed within a period of 3 months, the data collected did not permit an in-depth study of the cost benefit analysis of self employment projects. However, the analysis is expected to provide an useful overview on the viability of self employment projects using both natural and human resources in the district.

## **CHAPTER TWO**

### **Resources Available in Puttalam District**

#### **Introduction**

The Puttalam District covers almost 1/25 of the total land area of the island and is located on the Western Central Coast. The climate is tropical with an average rainfall of 31-78" and a temperature of around 27°C. The South West monsoon (March-June) reaches only the southern part of the district, while the North Western monsoon (Oct-Jan) gives rain to the entire district. This variation affects the pattern of agriculture in the district.

The major rivers that flow through the district are the Maha Oya, Ratambala Oya, Dedwa Oya, Mi-Oya and Kala Oya which are supplemented by 16 major and 1450 minor irrigation schemes.

The district has about 180 miles of shoreline providing for a lucrative fishing industry. The district comprises of 5 electorates, 14 Divisional Secretariats and 184 Grama Seva Niladari Division with about 1000 villages.

This brief overview provides an estimation of the availability of natural and human resources in the district which could be utilized for generating self employment project.

#### **2.1 Land Use**

Due to the diverse climatic conditions and different land and soil types found in the district, the area can be utilized for a wide (Table 2.1) variety of activities.

The largest land use in this district is for coconut cultivation with 57% of land under small holdings and the rest as estates. Paddy, which covers a little over 132,000 acres of land (Census of Agri: 1982), is grown both as a rainfed and

irrigated crop in the district. The paddy yield in the district is poor when compared to the rest of the country. All island paddy yields are 71 bushels per acre, Hambantota 83 bushels/acres and Puttalam 50 bushels per acres (Paddy cultivation, Dept. of Census and Statistics 1992). Land under cashew cultivation has increased, and with the opening of a new cashew factory in the Puttalam district the northern part of the district, has been encouraged (Table 3.1) to grow more of this crop. Cashew is also grown on small homegarden plots in certain areas of the district.

Intercropping of coconut land with pepper and pasture is practiced, the latter is of substantial value to the livestock sector in the district. A large extent of land is under vegetable and grain cultivation in the Vanathavilluwa and Anamaduwa divisions. There is a large extent of forest cover in the divisions of Puttalam, Karuwalagaswewa and Nawagaththegama (Table 2.1).

## **2.2 Fisheries Industry**

The extent of coastal habitats on a district basis (Table 2.2) indicate that most of the natural resources are found in the Puttalam district. The Puttalam district produces about 20,191 m. tons of coastal fish which amounts to about 15% of the total harvest of the Island (statistical abstract Dept. of Census and Statistics 1991). As fish from the strife torn northern and eastern sections of the island is not transported to other areas of the country, the coastal fishing around the waters of Puttalam district has intensified.

The major fishing centres in the districts are Kalpitiya, Chilaw and Thoduwa. The by products of the industry are the manufacture of dry fish and salt. Salt is necessary for curing of dry fish, and this has helped to create additional employment opportunities especially for women in the area.

The large extent of waterways have been utilized for copra production. The natural water resources of the coastal areas have a vast potential for prawn farms and with the high export potential this enterprise too has expanded recently. Several such projects have been launched near the Mundal and Puttalam lagoons.

**Table 2.1: Land Use for Different Agricultural and Economic Activities in the 10 Divisions of the District**

Land Utilization	1*	2*	3*	4*	5*	6*	7*	8*	9*
Paddy land under major irrigation scheme	218	344	-	1462.4	-	-	-	-	-
Paddy land under minor irrigation scheme	184	216	-	749.0	821	5626.0	1607.7	1381	2900
Paddy land under rainfed irrigation scheme	320	410	-	2272.9	-	-	-	399	-
Land used for coconut cultivation	4576	8128	4830	95.1	2900	5041.7	4402.4	5025	90
Land used for fruit cultivation	84	305	-	-	-	725.9	75.3	96	-
Land used for cashew and mix crops	217	290	-	-	1920	5757.9	2107.3	2282	12270
Land used for vegetable and grains	540	670	594	-	3160	5348.6	42.1	886	-
Forest	2385	-	-	2318.2	-	-	497.2	202	3460
Prawn culture	-	390	-	-	-	-	-	225	-
Land under onion cultivation	-	-	2593	-	-	-	-	-	-
Land under Gherkins	-	-	460	-	-	-	-	-	-
Land used for the supply of earth pottery	-	-	-	-	-	-	-	246	-
Land used for Banana cultivation	-	-	-	-	-	353.0	86.2	-	-

Source: Resource Profiles - Ministry of Planning and Implementation and Divisional Secretariat of the Division

Divisions:

1. Puttalam

2. Mundalam

3. Kalpitiya

4. Nawagathegama

5. Vanathavilluwa

6. Anamaduwa

7. Mahakumbukkadawala

8. Arachchikattuwa

9. Karuwalagaswew

**Table 2.2 : Extent of Coastal Habitats on a District Basis**  
(All extents are given in hectares)

District	HABITAT TYPES								
	Mangroves	Salt Marshes	Dunes	Beaches	Barriers & spits	Lagoons	Riverine estuaries	Other Water bodies	Marshes
Colombo	19	-	-	112	-	-	-	412	15
Gampaha	313	497	-	207	-	3442	-	205	1604
Puttalam	3210	3461	2689	2770	2	39119	-	3428	2515
Mannar	874	5179	1458	912	-	3828	-	2371	308
Kilinochchi	770	4975	509	420	-	11917	-	1256	1046
Jaffna	2276	4963	2145	1100	3	45525	-	1862	149
Mullativu	428	527	-	864	-	9233	-	570	194
Trincomalee	2043	1401	-	671	-	18317	-	2180	1129
Batticaloa	1303	2196	-	1489	-	13682	-	2365	968
Ampara	100	127	357	1398	-	7215	-	1171	894
Hambantota	576	318	444	1099	-	4488	-	1526	200
Matara	7	-	-	184	7	-	-	234	80
Galle	238	185	-	485	-	1144	-	783	561
Kalutara	12	-	4	77	-	87	-	476	91
Total Extent	12189	23819	7606	11788	12	158017	-	18839	9754

Source Coast Conservation Department,  
Internal Report No.20. Report on the preparation of maps indicating coastal habitats, 1986

Note: The project covered an area of approx. 2 km from the coastline. Source of data were from existing maps available at the survey Dept. and air photographs for some areas and the non-restrictions to the mapping task.

Quoted in Sri Lanka Coastal Zone Management Plan Coast Conservation Department. January 1987.



## 2.3 Livestock

The overall development of the agricultural and livestock sectors have received both government and non-government support in the form of financial and other resources since the early 1980's. The livestock sector has been developed largely in this district due to the availability of land which can cater to the expansion of the industry.

Table 2.3 shows the expansion in livestock population from 1982 to 1992 in the district. Goat farming has increased by about 50%. One of the reasons for this could be the ready availability of land in the district. The climatic conditions in the district have created a vast land base covered by scrub jungle which is suitable for rearing of goats.

**Table 2.3: The Livestock Population in Puttalam District**

Year	Cattle	Buffalo	Goat	Pigs	Poultry
1982	80,061	13,586	23,785	10,205	701,992
1992	97,900	22,500	55,600	20,700	928,700

Source: Dept. of Census and Statistic - Agri census 1982

Another livestock sector that has developed in the district is poultry farming (Table 2.3) with Arachchikatuwa and Kalpitiya divisions having the largest population of chickens. Most of the owners are small holders, mainly women who have started rearing of poultry as self employment projects. The number of cattle and buffaloes in the Karuwalagaswewa division has also increased (Table 2.1) due to the sudden proliferation of self employment projects in the area.

## 2.4 Human Resources

The estimated population is 0.6 million and the density varies from lower than 200 persons/sq mile in the northern part of the district to over 1000 persons/sq mile in the south. As shown in Table 2.5 a break down of the population by the 10 divisional secretariats shows this difference where Vanathawilluwa in the northern part of the district has only 3158 households as compared to 9609 households in Arachchikattuwa.

**Table: 2.4**  
**Livestock Population in Different Divisions of the District**

Divisional Secretariat	Buffalo	Cattle	Goat	Poultry	Sheep	Pigs	Ducks	Turkey	Wild fowl
Mahakubukkadawala	2103	3446	2499	7750	-	-	-	-	-
Arachchikattuwa (1990)									
Private Sector	1579	11447	5555	34425	11	300	30	75	33
State Sector	400	272	-	-	525	-	-	-	-
Karuwalagaswewa (1989)	546	1759	59	1765	-	49	-	-	-
Karuwalagaswewa (1990)	2057	23725	5706	9548	-	990	32	22	12
Kalpitiya	65	3984	4941	26338	-	165	-	-	-
Vanathavilluwa	1370	3796	4518	3000	-	608	-	-	-
Anamaduwa	7518	7076	4902	19464	-	422	-	-	-
Nawagaththegama	2834	5991	817	2126	-	243	28	-	04

Source: Resource Profiles - Ministry of planning and implementation and Divisional Secretariat of the Division

**Table: 2.5 Population and Male/Female Figures in the Divisions**

<b>Divisional Secretariat</b>	<b>G.N. Divisions</b>	<b>No. of Households</b>	<b>Population</b>	<b>Female</b>	<b>Male</b>	<b>Average family ratio</b>
Puttalam	22	8168	43375	22012	21363	5.3
Mundalam	31	9954	39404	18760	20644	4.0
Kalpitiya	31	7114	31309	15599	5710	4.4
Nawagaththegama	19	3217	14780	7353	7427	4.6
Vanathāvilluwa	17	3158	13497	6587	8657	4.2
Arachchikattuwa	37	9609	40261	20283	19978	4.2
Anamaduwa	49	0716	45244	22618	22626	4.2
Mahakubukkadawala	25	4058	17051	8394	8657	4.2
Karuwalagaswewa	26	5277	21623	10763	10860	4.1

Source : Resource Profiles - Ministry of Planning and Implementation and  
Divisional Secretariat of the Division

The Divisional Secretariat areas such as Kalpitiya, Arachchikattuwa, Anamaduwa and Puttalam are more prosperous in respect to natural resources, and therefore heavily populated. It is in these areas that the land is used to its maximum for agricultural production. These areas have better climatic conditions and have been of benefit to the entrepreneurs who deal with agriculture and livestock production.

## **2.5 Conclusion**

Considering the availability of land resources in the district, livestock industry is the most viable self employment project. With regard to the livestock industry, goat farming and poultry are the two sectors that require the least amount of land and water. The divisions that have a supply of water are cultivated with agricultural crops which are sold either as by products or in their primary form.

The next chapter gives an overview of the self employment projects in the district, with a description and analysis of the projects in the 10 divisional secretariates.

## CHAPTER THREE

### Self-employment Projects in Puttalam District

#### Introduction

Rural poverty resulting from increasing unemployment and underemployment has been a problem faced by successive governments in Sri Lanka. Various measures were adopted through rural development programmes and plans to combat these problems. Despite these efforts, the living standards of the poor, and unemployment/ underemployment rates have not shown any improvement. The Gini coefficient of income distribution for 1973 (0.37), 1979 (0.42) has increased in 1982 (0.53) which illustrates the inequalities in income distribution among the population of the country.

Available statistics show that the open economic policies introduced in 1977 has shown an impressive record of economic growth in recent years 1979 (6%) 1989 (6% ), but this has not contributed to a noticeable improvement in the living standards among the rural and poor communities. The poverty line (consumers finance survey 1986/87) indicates that nearly 28% of households which amounts for nearly 5.2 million person live below the poverty line. The same survey also indicates an unemployment rate of 17.2 in urban areas, 15.9% and 9.6% in rural and estate sectors respectively.

With 50% of the total population of the country entitled to either food stamps or Janasaviya benefits, the government is faced with a dilemma of how to maintain a balance between the economic growth and social equity.

One of the fundamental solution perceived today is creating special employment schemes, opportunities, and other income sources to the poor sections of the population. As land is seen as a scarce commodity, promoting activities which can earn income under limited land availability, with free credit is seen as a logical step towards uplifting the living standards of the poor. Development plans and

programmes both at the national and international levels have emphasized the importance of self employment schemes as a panacea for the problems of poverty, unemployment and underemployment.

This has led to the promotion and implementation of various self employment projects and programmes by both government and non-governmental organization. This strategy of development has been criticized and the viability of many such schemes have been questioned because without the continuous support and active involvement of the sponsoring or implementing agency the profitability and sustainability of most of these projects are negligible. However, self employment schemes are seen by policy planners as a strategy which could help to solve the problems of the rural poor and especially the women in rural areas.

### **3.1 Self-employment Schemes in Sri Lanka**

The existing programmes and strategies of creating self employment opportunities can be broadly categorised as follows:

1. Major development programmes and projects related to agriculture, irrigation, industries, roads and housing sector.
2. Special employment creation schemes associated with integrated rural development programmes.
3. Self employment programmes and income generating schemes implemented by various government and non governmental agencies.
4. Anti-poverty policies and programmes of the government: the Janasaviya programme which seeks to increase employment and improve the living standards of the poor.

Most of these programmes are implemented in different districts rather than on an island wide basis. The scope and extent of work of each scheme varies depending on the implementing agency and the available resources.

The scope and institutional framework of these programmes can be broadly classified as:

1. Credit provided for self employment programmes through the Central Bank and the two State Banks namely the Bank of Ceylon and Peoples' Bank and the Regional Rural Development Banks.
2. Training and advisory services provided by the implementing agencies for self employment programmes, with the support extended for the access of subsidized credit from the Banks. The programme in this category includes National Youth Service Council, Women's Bureau, Industrial Development Board, and Agromart.
3. Programmes implemented by non-governmental organizations by providing training and advisory services as well as grants These programmes are mainly facilitated by international organizations eg. NORAD, CARE, UNICEF.

The UN Standard Classification of Labour Force registers those persons as self employed who "run their own business, alone or in association with other owners, appropriating the profits to remunerated labour: (UN 1951).

Self employment can be broadly classified under different criteria: activity based, type of labour used, extent of owners involvement in carrying out the project activities, ownerships or location of project.

Using the above classification the various self employment projects are as follows:

**(a) Activity based classification** - this category can be further classified into sub groups

- (a) Agricultural (on farm)
- (b) Non agricultural (off farm)

Agriculture can be further sub divided into

- (I) Crop - (agriculture)
- (II) Non crop agriculture (animal husbandry)

Non agricultural self employment activities could be categorized into 3 main segments.

- (I) Trade
- (II) Manufacturing
- (III) Services

### **(b) Type of Labour Used**

According to UN definition of self employment the type of labour used for such products can be categorized as,

1. Projects using family labour along with hired labour.
2. Projects using only hired labour.

In terms of employment in self employment projects, one observes the predominance of family labour over hired labour. Therefore one can see that self employment activities are limited in its impact as a source of employment generation for the district and at a national level. There are exceptions where self employment projects have benefitted middle or higher income groups which have expanded their agricultural projects and in such cases the enterprise has expanded from using family labour to using hired labour. In terms of the poor or lower income groups of women, self employment activities cannot be regarded as a measure by which the unemployment problem in rural areas could be solved.

### **(c) Extent of Women Involved in Self Employment Activities**

This is an indicator which evaluates the owners involvement in the enterprise. These projects have been a sources of providing additional employment opportunities and income for women and they have also made women aware of their capabilities as income earners in the society. Despite the relative economic improvement, women's integration into the process of development and economic growth is limited on the basis of their accessibility and the availability of opportunities to resources and skills in all sectors.

Most of these self employment projects are on a part-time basis. The main reason for is that most projects are carried out by housewives, or young girls who start these projects as a source of earning a supplementary income for their households rather than as an avenue of employment.

### **(d) Ownership Classification of Project**

Ownership pattern of self employment projects, if classified on the basis of the credit taken by the beneficiaries, could be termed as single ownership. The credit is given to the beneficiaries who in this instance are women, but, most of the enterprise are family managed as major decisions with regard to the running of the



enterprise are taken by the males/heads of household.

### **3.2 Characteristics of Self Employment Schemes in Puttalam District**

Credit is one of the constraints hindering the establishment of enterprises for rural poor in the district. In third world countries state-controlled banks play an important role in providing credit at the initial stage of self employment projects and, they are later assisted by the various non governmental organizations. The dependency on credit have been to a certain extent policy induced. There are only very few enterprises that have started without credit support.

The loans that are provided for the establishment of self employment projects vary from Rs.1,000/= to Rs.15,000/=, where organizations such as Sarvodaya and Women's Bureau have provided loans in kind to the beneficiaries in order to assure the proper utilization of resources.

A common characteristic of most self employment schemes is the easy access to credit or grants and training provided to the beneficiaries by various organizations. One of the main sources of credit for agriculture based projects in the Puttalam district is through International Fund for Agricultural Development (IFAD) which has commenced a credit scheme for small farmers, the landless and women. This scheme supply's funds for both government and non governmental organization through the Regional Rural Development Bank. The different organizations that receive funds are the Lanka Mahila Samiti, Seeds project of Sarvodaya, Women's Bureau, UNICEF, Project district office and CARE . The interest rates vary from 9-20% depending on the organization while repayments of loans ranges from 75 - 80%.

Other sources of credit are from the state owned banks and non-governmental organizations providing credit under specific programmes of self-employment for women where credit is given directly to the beneficiaries or via the banks. The banks play an intermediary role where both the borrower and lender are assisted. Repayment of loans often carry a grace period depending on the gestation period of the enterprise.

Training for the implementation of various self employment schemes in the district was provided mainly by organizations such as Agromart, Sarvodaya, Care, Industrial Development Board, Women Bureau, National Youth Services Council

and United Nations International Children Education Fund. Most of these organizations provided a basic training of entrepreneurship development in agriculture, livestock and small scale industries with the objective of imparting skills, on how to identify a viable project and the local markets, preparation of simple budgets and business plan and developing leadership skills. With regard to livestock and agriculture, a basic and practical training is also given, on rearing and breeding animals, and technical aspects of crop cultivation. Agromart has provided training to women in manufacturing of papadam, processing of fruit juice, dehydration of fruits and vegetable, and making of mats and other handicrafts.

Most of the women who have had the benefit of attending the training programmes organised by various organizations pointed out that, training received by them has been useful in implementing their self employment projects but stressed the need for further training which could help to develop such enterprises.

Women who have started self employment projects based on crafts and confectionery or certain agriculture in the area have faced serious marketing problems which have limited the success of such projects. One significant factor is the present liberalized economic climate in the country which has opened the market to great competition with regard to the number of products where small cottage based industries find it difficult to compete.

Monitoring of projects by sponsoring or implementing agencies was considered important by the beneficiaries of most training programmes. Monitoring of projects vary depending on the type of project, for an example livestock projects need a continuous access to veterinary services while evaluation of the quality of products manufactured is required to monitor and maintain the standard of the handicrafts. A continuous monitoring is needed to identify constraints and find solutions, for all self employment projects which in turn will help the beneficiaries to succeed with their respective projects.

In the study area both crop and non crop agriculture (animal husbandry) consist of the main self-employment activities carried out by women. The crop agriculture projects include the cultivation of vegetables, fruits and minor export crops. Animal husbandry is an important self employment activity which include goat rearing, dairy and poultry farming. Specially goat rearing is a popular enterprise as a source of earning income for women as the resources required are available in the district, (Chapter III). A breakdown of existing self employment projects in the area are given below (see Table 3.1).

**Table 3.1 Self Employment Activities Available in the Puttalam District**

C	r	Agriculture products		Fisheries products		Crafts		Services	Others	
		o	p	N	o	n	c	r	o	p
6	Vegetable	Goat	Cashew Processing & packing	Dried fish		Mats, Hats		Retail trades	Salt products	
	Flowers	Bee		dried prawn		Handbags of		dress making	Bakery	
	Lemon	Dairy	milk prd.	fish meal		fibre:banana and others		morbile trading	Bricks	
	Leaf veg.	Poultry		ornamental fish					Compost	
	OFC	Pig	Palmyrah			Poultry			Joss sticks	
			Coconut	Seashell		Coir Works			Mosquitoe nets	
	Rootcrop		Coir						Soap	
	Cashew		Rice milling Flour Processing Papadam Fruit juices Confectioneries							

Source : Survey Data.

The loans provided by the State Banks and other supporting agencies show that about 65% of the loans are obtained for self employment projects based on agriculture while only 35% loans are given for non agricultural sector in the district. This could imply that women prefer to start activities based on agriculture. The dual role thrust upon women, as a wage earner and an unpaid domestic in the household has limited her choice of self-employment the traditional ventures to supplement the family income.

### **3.3 Self employment Projects in the 10 Divisions**

The projects based on the available resources in each Divisional Secretariats are given below:-

#### **3.4.1 Anamaduwa**

The main self employment activity is animal husbandry comprising of goat farming and poultry. This can be seen from the large number of animals in the district (Table 2.4). With regard to intercropping, banana and beetle cultivation is favoured. Possible off-farm activities are brick making, confectionary, ready made garments and beedi wrapping.

The major hindrance for livestock activities is the lack of feeding material. In dry seasons, it is difficult to find fodder for cattle and goats, and the animals have to be taken to the forest. In addition there is a need for better veterinary facilities. Setting up of poultry farms as an income generating activity was not preferred due to number of reasons such as lack of space and capital, difficulty in buying chicks, and unwillingness to keep poultry due to cultural reasons. However, there is scope for expanding poultry farming for women by providing capital, materials and training.

#### **3.4.2 Pallama**

In this area too the popular self employment activity is dairy, goat rearing and piggery. There is a network of milk collection centres in the area for the benefit of those involved in keeping dairy cattle. In case of pigs and goats, there is no difficulty in the sale of meat as there is a ready market, in Puttalam, Negambo and Colombo. Women in this area do not like poultry farming due to cultural reasons and lack of an efficient marketing channel for eggs.

Women living in areas close to the Deduru Oya are involved in cultivating banana and vegetables in home gardens. Some women collect the surplus produced and sell it at the weekly market "the Pola", these markets are found almost all days in a week in different villages in the area.

In this area there are women who possess the skills to start small off farm activities such as manufacture of handlooms, for which raw materials, can be obtained from the urban centres of Puttalam. But due to the absence of a ready marketing channel for the sale of products, has limited these activities from being taken up as a means of self employment by women of the area.

### **3.4.3 Nawagaththegama**

Vegetables seedlings for fruits, and medicinal plants are grown in home gardens for sale. Sesame cultivation is undertaken in areas such as Kuruketiya, Aturupolayagama and Bogahawewa. According to women, the black Sesame variety is cultivated in Maha while the white variety is cultivated in Yala season. There is a good market for the produce. Other possible activities are dress making, bee keeping, and rice milling. However, as in other areas the most suitable self employment activity for rural women is livestock production with dairy and goat rearing being viable due to the availability of resources.

### **3.4.4 Kaluwaragaswewa**

It was observed that off-farm activities were not an important source of employment for women as many of these activities have been unsuccessful. Although making hats, mat weaving, sewing mosquito nets have been started they have been stopped due to lack of proper marketing channels.

On-farm activities, goat and poultry farming, cultivation of gotukola, banana, chillies and orange can be expanded as income generating projects for rural women living in these areas. The climate and land in this area is suitable for the cultivation of crops and fruits.

Crop cultivation is not possible in some areas such as Murukkadawana in the Kaluwaragaswewa Division like Murukkadawana, since it is difficult to protect these cultivations from wild elephants. Only livestock activities are possible in these areas.

### **3.4.5 Mahakumbukkadawala**

Goat farming is the popular and viable income generating activity in this Division. Most farmers buy goats from Kottukachchiya farm which is the goat development centre for breeding animals. There is a scarcity of water in the area. Therefore, goat farming and poultry production can be recommended as viable income generating activities for women rather than crop-agricultural activities.

### **3.4.6 Kalpitiya**

Kalpitiya division has a varied selection of natural resources when compared to other divisions. Fisheries, coconut and red onion cultivation are the most common activities in the area. Coir industry, fisheries, palmyrah industry and goat farming are economically viable activities for the women in the district. In addition, vegetable cultivation and traditional salt production too have provided self employment opportunities for women in the district.

### **3.4.7 Puttalam**

As Puttalam is the largest urban centre in the study area. There is high potential for development of non farm activities such as food processing, dress making, bakery , small trading and handicrafts based on local resources due to the availability of marketing channels. Coconut cultivation is the major agricultural crop of the area and coconut lands have provided a favourable environment for goat farming. Goat rearing, piggery and poultry farming are the major livestock activities in the area. Meanwhile diary farming is carried out by women in other areas in the division.

### **3.4.8 Vanathavilluwa**

Vanathavilluwa division is comparatively poor in natural resources. Coconut is the chief crop of the area with a large extent of land under cashew cultivation. The cashew cultivation is a popular crop as there is a ready export market for the produce. Other field crops such as, green gram, cowpea, maize, and vegetable cultivation have also provide self employment opportunities for women. Collecting and processing of cashew, processing and packeting cereals (green gram, cowpea, maize) are other viable economic activities. Goat farming, has considerable potential for development as a self employment enterprise for the women.

### **3.4.9 Mundala**

Coconut is the most prominent crop of the area as the soil has a salt content which hampers agriculture. The potential for the development of fisheries sector is very high as the Mundala Lake is located in this area. Therefore, small entrepreneurs of prawn culture, coir industry, vegetable cultivation and coconut related by products, have more possibilities for development as self employment ventures for women. The scrub jungles of the area provide opportunities for successful goat and dairy farming. As Colombo-Puttalam main road is located through this division better marketing facilities are available for these products.

### **3.4.10 Arachchikattuwa**

Arachchikattuwa is also rich in natural resources compared to other Divisions. The Colombo-Puttalam road runs through this division therefore, the division has better access to a large number of markets. According to our observation, due to the availability of both land and water resources all self employment projects started in this division have been successful. Several types of self employment projects have been started in this division -i.e, home gardening, livestock production, (dairy, goats, pigs and poultry), vegetable and fruit cultivation (lemon, banana) and the production of handicrafts.

## **CHAPTER FOUR**

### **Marketing Potential of the Viable Self-Employment Projects**

The success of an enterprise is determined on the availability of resources and marketing facilities. Marketing is the most effective multiplier of development and growth of an enterprise. But in most third world countries, it is one area which is least developed. Marketing is an avenue by which a self-employment project could be integrated into the economic system where there will be the fullest utilization of the assets at production capacity an economy already possess (Drucker).

A substantial proportion of self employment projects in rural areas are agriculture based which require a marketing system that is efficient with minimum delay from harvest to sale of produce for the success of enterprises. An effective marketing system links the supply and demand between the producer and consumer. The marketing channel, structure of markets, market size and prices play a key role for the development of self employment projects.

#### **4.1 Type of Markets and Marketing Channels**

It was found that a large number of the self employment projects implemented in the Puttalam district by women caters to buyers within the village and the surrounding villages. In general, the items produced are oriented towards meeting the needs of surrounding markets. The number of projects which cater to a wider market within the district or outside the district is limited. Only about 10 percent of the projects in the study area, supplied products to a wider market outside the district boundary.

Most of the products produced by self employment activities are sold while the share retained by the producers for consumption is minimum. This indicates that these enterprises are commercially oriented, but the scale of operation is small therefore limiting their ability to penetrate larger and wider markets. Inability to supply products to large markets is due to several reasons such as poor quality of



the products lack of marketing skills, and most essentially the fact, that income generated from these enterprises are used entirely to supplement the household income.

Direct sales to consumers take place at 'pola', another important market channel, which is popular among the vegetable and fruit growers. Livestock producers in the district operate a successful co-operative system for the procurement of milk, organized by the two largest milk buyers Milco and Nestles. Retailers and wholesalers form the other important sales outlet for some fruits and vegetables such as lemon, orange and gotukola produced by villagers. It was observed that the government or co-operatives played a minor role as marketing channels for various self employment projects. Further, the assistance provided for the marketing of produce by sponsoring agencies was also very poor. Most women who were involved in self-employment projects expressed the need for establishing institutional links for marketing of the produce as essential for the development of their projects. There are export markets for handicrafts, but the link between the producer and markets is weak. This is due to the fact that rural enterprise owners find it difficult to establish links with foreign markets without institutional support.

#### **4.2 Market Competition and Promotion**

Since self employment enterprises are generally small scale, and serve a limited area, they face competition from other enterprises producing the same commodity. Most of the implementing agencies, provide training in a specific field, considering the resource available, this has led to a tendency for most beneficiaries to produce the same type of commodity. This tends to lead to over supply in the area of that commodity, and thereby reduce the price of the product.

In view of promoting their products, the only measure adapted by some of the enterprises is to try and maintain a price and quality under a given level of competition. Training provided by sponsoring agencies do not educate the beneficiaries on different marketing strategies and gathering market information which is essential for a producer. The link, in the marketing system between producer and consumer is crucial for a successful enterprise. Since of late, due to criticism levelled at the inadequacy of the given programmes, some organizations have provided training in the field of marketing specially with regard to assistance in introducing buyers and sellers, an example of which is found in the livestock sector where goat farmers are introduced to markets in Colombo.

For the handicraft sector, there is a very poor link between the producers and the market even at the local level. A link with the export market for palmyrah based handicrafts, is established through the Palmyrah Board. For other handicrafts, the market is limited to regional "pola" or fairs and individual buyers.

Viable self-employment projects in the district can be categorised into the two main sectors, i.e on-farm and off-farm activities. Since the marketing structure and channels are different for various self-employment activities, discussing the marketing situation of projects related to these two sectors is useful.

### **4.3 Self-employment Projects Based on Agriculture:**

#### **4.4.1 Crop Agriculture:**

Vegetables and fruits such as orange, lemon and cashew are grown in home garden plots. These are cultivated in the divisions of the district that have an adequate supply of water. (Chapter II, Table 2.1). Gotukola, a leafy vegetable grown both in Kaluwaragaswewa and Arachchikattuwa divisions cultivated, in plots of 20 x 20 sq feet provides an income of Rs. 500-700 per week. It is marketed in the urban areas mainly the Puttalam town area. The price that can be obtained is Rs.1.50/bundle. Another leafy vegetable that has a good market is Kathurumurunga which can be sold at Rs. 2.00/bundle, for which there is a market in the Ja-ela, Watala areas.

Marketing of these products is not difficult due to the high demand prevailing in urban areas. The products are either sold to a middleman who visit the home of the producer or is taken by the producers to the wholesale market. Most of the women who are engaged in cultivating these crops find it as a good source of income which has a potential for expansion due to the increasing demand for their produce.

Cultivation of fruits is another source of income for the Arachchikattuwa division. Lemon and orange are the two varieties that are grown in home garden plots for which there is a good market in Colombo. A tree bears fruits twice per year with an average of 800 fruits per season. These trees require water and therefore, when grown on a larger commercial scale, are found in areas where there is adequate water.

Cashew on the other hand is grown in home garden plots and also on a larger scale. As this crop requires less water compared to other crops it is found in the drier

divisions of the district, (Chapter II, Table 2.1). There is an increasing demand for cashew nuts both locally and in international market. Lemon and oranges are either sold directly to the middlemen who buy the produce from the village or it is brought to the Pettah wholesale market, from where it is distributed to the retail markets in the city. A cashew factory was set up in the district in 1992, the price offered by this factory is higher than the private vendors or the Cashew Cooperation. As there is an increasing demand for cashew in the international market there is a large potential for the expansion of this crop as a source of self-employment for women in the district.

Other vegetable such as tomato, brinjals, okra are also cultivated in the district and are marketed in the weekly pola. With the increasing population in urban areas, crop production especially cultivation of vegetables has a potential for expansion. If these ventures are to be expanded as a large scale commercial enterprises, there is a need for institutional support services to get a foothold in the commercial market.

#### **4.4.2 Non-crop Agriculture**

As discussed in Chapter II and III, this sector has the highest number of self-employment projects managed by women. Dairy farming and goat rearing are two activities that have become popular in this district as the land is suitable for pasture and forages required as feed for the animals.

Cattle and buffaloes are used for draught and dairy purposes, the milk is collected by the milk collecting centres in the village. The two main buyers are the Nestles and Milco. Nestle's has a milk processing centre in Kurunegala, and Milco the other buyer of fresh milk has regional centres from where milk is sent to the various processing centres. The Nestle's processing centre, is working at less than 30% of its capacity, therefore, there is scope and need for increasing the number of dairy cattle in the area.

The production and sale of curd is along the Colombo- Puttalam road. The demand for curd is on the increase from the urban areas and especially from Colombo. If an efficient and reliable marketing channel can be organized, it has a high potential to be developed as a source of income for women in the area. The manufacture of yoghurt can be started by women, who own diary cattle, but this enterprise too requires an efficient and reliable marketing system since the shelf life of the product is limited.

The dairy cattle are rarely sold for meat, while goats are reared to obtain meat which has a demand in the predominately muslim areas of Puttalam district and in the city of Colombo. A limited amount of mutton is consumed locally by the villagers. The goat population has increased in the district (Table 3.3) from a mere 23,785 to 55,600 in 1992. The shrub jungles of the district are ideal for goat farming, as the animals are taken out to graze in the jungles, for which there is no cost involved, except in cases where labour is hired for the purpose of herding. The animals are purchased from the goat breeding station at Kottukachchiya.

The marketing system for meat varies from that of the milk producers. The goats are directly sold to middlemen who visit the village, the meat is sold by live weight and the owners do not have a bargaining power as the price is fixed by the middlemen. The middlemen transport the goats to the urban centres where the price that is paid by consumers at the retail market is almost double than what the producer receives.

Goats and cattle manure is sold at Rs. 50/100 Kg, the collection of which is done by buyers, who come to the village. Many goat farmers were of the opinion that goat farming is profitable since the animals breed twice a year, with a litter of 2 animals, which thereby increase the size of the herd at a faster pace.

Lack of market information has kept the producers at an disadvantaged position, with regard to the sale of animals. Farmers living close to Colombo-Puttalam main road have discussed the possibility of forming a society, which will collect market information about prices which would enable them to obtain a better price from the middleman. This could also help the producers sell their animals at the actual weight and not at the estimation of the actual weight which is the practice that prevails presently in the market.

Poultry is another area where self-employment projects have been started, but it has not been popular as the cost involved in rearing the birds has increased and the profit margin has decreased, over time. Poultry is raised for meat and eggs, the sale of which is localized. The small producers find it difficult to compete with large and medium scale producers and as a result, the number of such enterprises being started as self employment projects show a decline.

#### **4.4.3 Non-Agricultural Self-employment Projects**

The main projects which belong to this category are crafts, services such as

retail trade, dress making. (Table 2.1) bakeries and manufacturing of soaps.

Handicraft is an informal sector which includes mat-weaving to pottery. In the district, these enterprises are done by a few women as a form of self-employment. The raw materials used such as fibre for mats and bags and the clay soil for pots are found in the surrounding areas. However, some producers have incurred a cost for the purchase of wood needed for curing the pots and in some cases when the clay has to be brought from other areas (transport cost). The markets for the clay pots and pans are found in the Seeduwa region, and the items are made on a contract basis. During the festival seasons (Sinhala New Year and Christmas), there is a demand for these products in the local markets. But this is a seasonal occurrence which does not give the producer an assurance of a regular income. Although the profit margin is high, the present supply is sufficient to meet the market demand and therefore there is no room for expansion.

Other handicrafts such as mat weaving and making of bags with palmyrah, banana and other reeds are done on a very small scale due to the difficulty in marketing such products as their quality is generally inferior compared to the synthetic products in the market. The utility value of these products are on the increase, with the tourist industry picking up and reverting back to the usage of non synthetic products.

There is potential of marketing handicrafts to different sectors i.e domestic, tourist and export markets if the necessary institutional support is provided for such product. It was observed that most of the producers in the district had little contact with the marketing agencies such as Laksala or Lakmedura which deal with handicrafts. At present, the only avenue of sale is the local weekly fair and polas. To be able to produce for the tourists or the export market the producers require institutional support in order to maintain quality and uniformity of product and punctuality of delivery. If financial assistance is provided to meet these requirements, there is potential for the expansion of this sector.

The service sector such as retail trade, dress making, making of mosquito nets and bakeries, has a very limited market potential in the local market. This is due to the fact that (Chapter II) such products face a price competition from large scale modern industries. The expansion and sustainability of these projects depend on the demand in the local market. Although there is an interest for employment projects based on agriculture, the liberalized policies of the government have an adverse impact on the production of agriculture based products.

#### 4.4 Conclusion

The large proportion of income generating projects implemented by poor women in the Puttalam district caters only to the buyers within the village and some of the surrounding villages due to limited scale of the projects, lack of awareness of the markets, low standards of the products and marketing skills. Only about 10 percent of the income generating activities observed in the study areas sold their products in a wider market outside the district boundary.

The most important projects were in the livestock sector, with rearing of dairy cattle and goats having the largest market potential.

Off farm activities, handicrafts, mat weaving, making of bags using palmyrah and other fibre are done on a very limited scale. If the necessary institutional support can be provided for marketing, these projects could be expanded to reach wider markets.

Even though, some self-employment project in the service sector, such as retail trade, dress making and making mosquito nets have a good local market (in the district), the expansion of such projects are limited due of the competition from large scale industries engaged in the manufacture of same goods.

The assistance provided for marketing of the good produced by self-employment projects is negligible. The need for a better market information system and establishment of institutional support to producers is considered important. Hence, the present institutional framework related to income generating activities of the district will be discussed in the next chapter.

## **CHAPTER FIVE**

### **Institutional Framework**

#### **Introduction**

Institutional and implementation mechanism of government and non governmental organizations for self-employment projects covers several aspects from credit facilities to training programmes. The method of implementation varies with regard to both types of organizations. As self-employment is only a part of the overall objective of most organizations, the extent of involvement ranges from localized to country wide spread of programmes and, giving priority for this kind of programmes depends on the objectives of the individual organization.

#### **5.1 Institutions**

Credit plays a major role with regard to self employment schemes, which therefore involves the financial institutions. Both public and private sector banks apart from financing these schemes provide other supporting services. Providing funds for projects are generally directed through the banking institutions, which provide assistance to beneficiaries both in kind or cash. Initially the financial institutions geared to provide assistance lacked preparedness or the attitudes both in term of infrastructure and personnel to meet the needs of the rural poor. The assumption that an institute being located in the vicinity of the rural areas would be sufficient to help the rural people to obtain credit more conveniently proved wrong namely as the bureaucratic functioning of the system within the institutions did not cater to the poor. This system was changed with the setting up of the Regional Rural Development Banks in the country. This system has been streamlined to suit the poor. An example of inter institutional coordination is seen in the IFAD project for small farmers and landless (Chapter II) credit given through the RRDB.

With the expansion of the number of self employment projects, there is a rapid

increase in the number of informal training centres which conduct short term crash courses. This proliferation of courses involve costs, which could be diverted to better use if there is inter-institutional or inter-agency coordination of activities. Another serious limitation of the training schemes is the lack of objectives, standards of performance and capabilities of both the trainers and beneficiaries.

The promotion of the self-employment programme by organizations has helped in establishing groups among the target population. This concept of group self help has enhanced employment activities and facilitated the cooperation of an receiving mechanism. In the Puttalam district there are a number of organizations involved with self-employment programmes for women. Given below is a list of the organization from both sectors.

#### Government Organization

- (1) Women's Bureau
- (2) National Youth Services Council
- (3) Rural Regional Development Bank
- (4) North-West Provincial Council
- (5) Industrial Development Board
- (6) Commercial Bank, Bank of Ceylon and Peoples Bank

#### Non-Governmental Organization

- (1) Sarvodaya
- (2) Agromart Foundation
- (3) Lanka Mahila Samithi
- (4) Unicef
- (5) Dharma Vijaya Foundation
- (6) Care
- (7) Thrift and Credit Co-operatives Societies
- (8) Gami Pubuduwa

The existing structure of implementation which varies according to the individuality and resultant limitations of different organisations can be summarized as follows.

Most of the NGO's are small and are localized in their activities, which limits successful projects being launched by them. In the Puttalam district there is an 'area bias' that was observed among the district divisions. In the northern sector of the district the availability of natural resource is comparatively poor compared to the



southern sector, but the population of the latter sector has benefitted from more programmes and schemes, launched with regard to self employment.

In the selection of the beneficiaries for the self employment schemes, different organizations have different perceptions which has led to duplication of efforts by various organizations. This has resulted in scarce resources not being utilized for the necessary activities.

These organizations do not undertake monitoring and evaluation of projects, which has led to the failure of several self employment schemes. A follow up programme is essential, for evaluating the schemes, which would help in the implementation of future projects.

The overhead costs incurred by various organizations are high, accounting for more than 50% of the budget. As a result the allocation of resources for other activities of the projects is low. Hence, these schemes have had only a marginal impact on the rural women.

The existing 'bureaucratic structure' within government organizations has raised questions with regard to the role played by these organizations for the implementation and marketing of self employment schemes.

The operational fund of most agencies is limited and inadequate to support and sustain the new programmes. This has led to the implementation of adhoc programmes. So far the interconnection between local and national sector agencies has been adhoc, with little integration between the two sets of organizations. There is a need for a better coordination and monitoring between these two sectors.

## **5.2 Conclusion**

There is a need for a change in the present institutional framework for the success of self-employment projects. This could be achieved through the establishment of a single institute which would help to promote, implement and monitor self-employment projects and programmes at a macro level. As credit plays a pivotal role in promoting self-employment schemes, financial institutions, are the means through which this could be instituted. The Regional Rural Development Banks that have been established in each district are equipped with the infrastructure and personnel, at the local level to facilitate a better overall monitoring of the progress of the projects.

## **CHAPTER SIX**

### **Conclusions and Recommendations**

The high incidence of poverty coupled with unemployment and underemployment has led the successive government of the country to implement various rural development programmes. Strategies and programmes for alleviation of poverty (Sen 1980) are: those that affect production and thereby are income generating, and others that influence the flow of income or consumption of individuals and households.

The first is a rehabilitation of the means of production such as land given to the landless or creation of non-land programmes (IRDP). The other relates to measures generating employment which will directly benefit the poor, eg. special employment creating schemes. A number of agencies have implemented self-employment programmes within the overall development programmes through which the problems of poverty and employment were to be solved. The advantages of these programmes were seen to be many: relatively low cost of starting such programmes, the use of local resources and additional income to the households. These programmes could be implemented via the presently existing institutions by the use of simple technology.

However, the self-employment programmes have not been successful in reducing the levels of poverty or unemployment in the country. As discussed in Chapter II, their ineffectiveness is due to the lack of follow-up and evaluation of most of the programmes and the limited impact of such programmes as an employment multiplier.

Another factor is the duplication of the programmes by different government and non-governmental agencies which has resulted in increasing the cost, and the reducing in the efficiency of the programmes.

As poverty and unemployment are major political issues, ways and means of solving these problems, depend on the general policy measures adapted by the government in power. The projects and programmes that have been implemented have focused on short-term developments which have therefore had no tangible improvement on the living standards of the poor.

Policies promoting self-employment schemes need to be formulated with an aim at long term economic development and growth. Given below are several issues which have an impact on these programmes.

### **Concepts**

Conceptual issues regarding the assumptions and perception of gender which are still dominated by traditional norms, where women are primarily seen as dependent housewives or daughters be the planners and administrator of development plans and programmes need to be removed if women are to be considered equal partners in development.

### **Selection of Projects**

The selection of self-employment projects for women has been to date, confined to traditional activities dealing with agriculture, (crop and non-crop) agricultural products or handicrafts, which has limitations, as the income generated is very small, and as a result has not helped women to gain access to all areas of development. If the present programmes are to help women to gain a better position economically, the training should be provided for implementing self-employment projects that help women to gain economic independence in addition to supplementing the current income of the household. Finally, the beneficiaries should be able to make the self-employment projects which are usually started on a part-time basis (Puttalam district 50% of the projects are on a part time basis) into full time employment.

### **Selection of Beneficiaries**

Selection criteria for beneficiaries should be based on variables such as household income, the family size, the interest and need to start the projects, size of land holdings (livestock and agricultural projects) access to resources needed for the project.

It has been observed that some beneficiaries have opted for self-employment projects just to avail themselves of the credit that is given by the sponsoring agency which is used for other purposes eventually. To overcome this, the variable used to identify the beneficiaries should be carefully scrutinized.

### **Input Supply**

The main problem faced by many projects is the non availability of raw materials which result in lowering the profit margin of producers. Hence the project does not become viable in the long-run. This factor has to be given serious consideration by the sponsoring agency before support is extended to the project. Production and supply of raw materials needed for projects could increase the production level and also provide a supplementary income to households.

### **Technical and Managerial Assistance**

These services will depend on the type of project that is undertaken, but the necessary extension and technical guidance is essential for the success of the projects. The sponsoring agency should monitor the progress of project continuously.

Most of the self-employment projects cater to local markets due to the limited demand. Ineffective marketing system and competition from national and international products, lead to low demand and thereby low profit margins. Another factor that affects these small-scale enterprises is the large number of beneficiaries engaged in the same type of project, thus reducing the bargaining power of the producers. The policy implications of the above factors are;

- (1) Measures be taken to develop better marketing strategies and product development.
- (2) Change existing marketing channels where the power of the producers is small by promoting producer groups or co- operatives.
- (3) Provide infrastructural support when necessary.

### **Credit Facilities**

There is a heavy dependence on bank credit for self-employment projects. Although credit is given at subsidized rates, the interest is high, for most of the

beneficiaries belonging to the low income group. This affects expansion or modernization of projects. Therefore, there is a need for credit to be given on concessionary terms. Also, the transaction cost of credit is high (repeated visits to banks) which could contribute to the poor repayment rates.

### **Recommendations**

- (1) The evaluation of the feasibility of the self employment project and its economic and market viability has to be done prior to the commencement of any training programme.
- (2) The time allocated for the present training programmes are insufficient as the programmes cover a wide variety of subjects. It would be more useful for the beneficiaries if such programmes include training on specific areas eg. goat farming with the various management practices which cover production; veterinary services, marketing facilities and feeding.
- (3) To establish a single institution for the coordination of self- employment projects to coordinate the activities of different government and non-governmental agencies dealing with training and promotion of self-employment projects. This would help to prevent the duplication of training programmes by different organizations.
- (4) To form groups of producers into societies which would facilitate their production and marketing procedure (eg: to gain a better collective bargaining power).
- (5) To provide the market information through an institute which can lead the present small-scale self-employment producers, towards commercialization of the enterprises. (see Annex 1)
- (6) Credit facilities should be extended to cover marketing activities of the enterprises.
- (7) Training programmes should include topics such as marketing systems, channels and pricing of products.
- (8) Find ways and means to mobilize and re-cycle local resources and funds into the programme.

## **Annex 1**

### **Market information**

#### **For Beef**

1. Mr. H.A.J.A. Raja Mohiden, No. 03, Market Building, Thotalanga
2. Mr. Mohomad Kalem, Outside the Super Market Building Kiribathgoda.

#### **For Mutton**

1. Mr. Mohamade Vijam, No.50, Near the Supper Market Building Kadawatha.
2. Mutton Stall Manning Market, Pettah.
3. Mutton Stall, Super Market, Nugegoda.

#### **For other field crops (Green gram, Cowpea, Kurakkan)**

1. M.T.R. & Sons, 454, 4th Cross Street, Colombo 11.
2. Valampurie Trade Centre General merchants & Commission Agents, 64, Fourth Cross Street, Colombo 11. Tel.Nos.: 326904, 433344
3. United Stores, 46, Old Moor Street, Colombo 12. Tel.Nos.: 434155
4. New Selvams, No.54, Old Moor Street, Colombo 12. Tel. Nos.: 31144, 431164
5. Unee Traders, 73, Old Moor Street, Colombo 12. Tel. Nos.: 433766, 438835

#### **For Lemon and Orange**

1. Mrs. H.D. Asonona, 215, Manning Market, Pettah, Colombo.
2. Mr. B.L. Sugath Perera, 1246, Manning Market, Pettah Colombo.
3. S.K. Ranjith, 212, Manning Market, Pettah, Colombo.
4. No.233 - Market Stall, Manning Market, Pettah.
5. No. 70, - Market Stall, Manning Market, Pettah.
6. Mr. P.K.K. Lal, No. 1220, Manning Market, Pettah, Colombo.
7. Mr.K.A.D. Dharmadasa, Vegetable, Fruits Merchants & Commission Agent, Manning Market, No. 1182, Colombo 11.

#### **For Cashew - Purchasing Centres**

1. Prasanna Purchasing Centre, 184, Minuwangoda Road, Opatha, Kotugoda.
2. Expo Lanka, Minuwangoda Road, Opatha, Kotugoda.