



EFFECTIVENESS AND IMPACT OF COMMUNITY GOVERNANCE APPROACH TO ALLEVIATE POVERTY: A CASE STUDY OF CARE INTERNATIONAL HAMBANTOTA SRI LANKA

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ABSTRACT

In this study, the aim was to assess the effectiveness of the Community Governance Approach (CGA) implemented through newly established two community governance structures - Village Operating Units (VOUs) and Rural coordinating Committees (RCCs) - through the Local Efforts for Empowerment and Development (LEaD) Project of CARE International Hambantota, Sri Lanka. Data for the study comes from deferent sources by integrating quantitative and qualitative tools including household survey of 104 beneficiary households in 2013. This study has highlighted the central importance of creating social capital and local community governance structure among rural community as a poverty reduction effort in terms of improving their human condition, social position and enabling environment. The most obvious finding to emerge from this study is that CARE International Hambantota Sri Lanka has strikingly benefited the communities in the project areas, strengthening most of the social capital dimensions such as improving social network, initiating and strengthening collective action and cohesion, capabilities and capacity. With this understanding, we recommend that the participatory community governance approach implemented through VOUs and RCCs with the LEaD Project is desirable for replication as an effective model for reducing rural poverty elsewhere in Sri Lanka.

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Keywords: NGO, Community governance, Village operating unit, Social capital, Poverty, Sri Lanka.

1. INTRODUCTION

There is a growing recognition that differences in economic outcomes of an economic unit such as individual, household, or a state, cannot be explained fully by differences in “traditional” inputs: labor, land, and physical capital. Recently growing attention is given by the researchers to the role of “social capital” in affecting the well-being of households and the level of development of communities and nations. The recognition that social capital is an input in the production

function has major implications for development policy and project design. It suggests that the acquisition of human capital and the establishment of a physical infrastructure need to be complemented by institutional development, at the local and the national level, in order to reap the full benefits of these investments. Given its practical experiences with social mobilisation works, CARE International *Hambantota*¹ believes that the main reason behind poverty and underdevelopment of the majority of people in the rural area is due to the lack of a proper mechanism and opportunities for them to participate in the development process at village level. In order to address this core problem four interrelated general bodies - the Village Operational Unit (VOU), Rural Coordinating Committee (RCC), Regional Operational Committee and the District Advisory Committee - were formed by CARE International *Hambantota* to enable all decision making powers regarding the programme to rest with the village. The process is known as the local governance approach or community driven approach to development.

The project has ended in mid- 2013, however social capital accumulated by communities in the beneficiary villages through VOUs and professional staff (in the form of human resource input) persist as an exclusive assets. While the literature on social capital has amply demonstrated the importance of social capital in the context of development projects and the provision of various services, it has not yet demonstrated what the implications of the presence of social capital are for the welfare of households and whether social capital helps the poor. The current study attempts to fill the gap.

In the next section we brief the objective of the study. Section 3 discusses the methodology of data collection, research tools and methods of analysis. Section 4 overviews the project characteristics. Section 5 discusses the findings of the impact of newly established local governance structure and its implementation to household welfare and poverty. Section 6 sums up.

2. OBJECTIVES OF THE STUDY

The main objective of this study is to assess the impact of community governance approach implemented through two newly established community governance structures via the LEaD

1.Cooperative for American Relief Everywhere (CARE) International in Sri Lanka was established in 1950 with a focus on food security as well as maternal and child health in the country. CARE Sri Lanka's strategic plan for the new millennium focuses on vast areas such as peace building, governance, sustainable livelihoods, gender equity, emergency preparedness and disaster risk reduction. Furthermore, it focuses on three main target groups in specific geographic areas: poor rural communities in the dry zone; conflict-affected populations in the North and East; and plantation residents. As part of this initiative, CARE International *Hambantota* commenced the Local Efforts for Empowerment and Development (LEaD) Project in 2007 under its' Southern Dry Zone Development Programme. The LEaD Project is undoubtedly a community driven development approach. The main goal of the project is to ensure an improved and sustainable level of human development and livelihood security for marginalised and vulnerable communities living in four District Secretariats (DS) divisions in two districts: *Hambantota* and *Moneragala*.

Project: Village Operating Unit (VOU) and Rural Coordinating Committee (RCC) in reducing rural poverty. Specifically, the study attempts

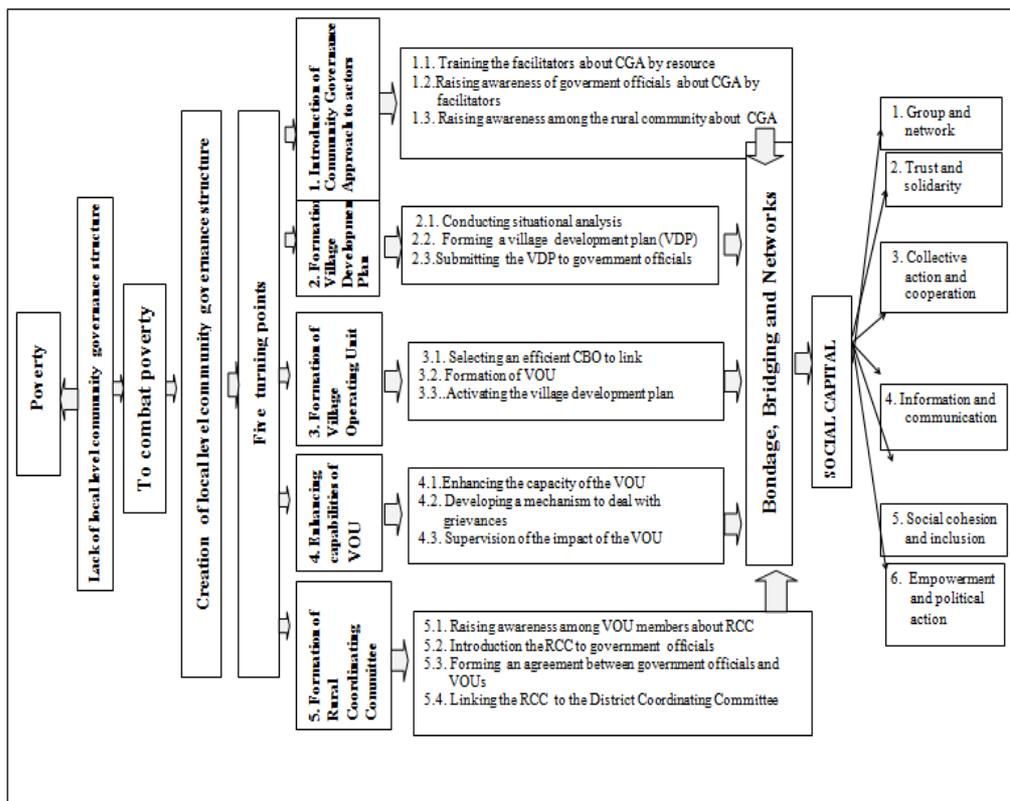
- To examine the implementation mechanism of community governance approach (CARE model) through the VOUs and RCCs of LEaD Project
- To assess the impact of the social capital generated through VOUs on reducing the poverty level of communities in the project areas.

3. METHODOLOGY OF THE STUDY

3.1. Conceptual Framework

As illustrated in Figure 01, CARE believes that poverty incidence in rural areas is due to the absence of a local level community governance structure in the sector. Thus, the creation of a local level community governance structure is necessary to combat poverty. In the CARE model, there are sixteen steps within five turning points which should be followed in initiative which implements the CGA.

Figure-01. Conceptual Framework Community Governance Approach of LEaD Project



Source: Created by Author

The outcome of a community driven project is to build the social capital among participatory communities. On the basis of previous survey work on social capital and reading of the literature,

social capital which has brought about through any of the community-driven project, like VOUs or RCCs of CARE consists of six dimensions [1]. These include 1) Group and network, 2) Trust and solidarity, 3) Collective action and cooperation 4) Information and communication 5) Social cohesion and inclusion 6) Empowerment and political action. The study defines poverty in broad sense of improving five forms of capital (or assets) including: financial, human, physical, social and natural capital.

3.2. The Data Set and Research Tools

The tool “Integrated approach for measuring social capital” is used as methodology to assess the impact of social mobilization processes generated through VOU in reducing the poverty level of communities in the project areas. The data set for this study comes from the stakeholders of LEaD project of CARE international *Hambantota* Sri Lanka which aims to investigate the role of local institutions in providing service delivery and in affecting poverty outcomes. Data were collected at the level of the community and the household. At the level of the *community*, interviews with focus groups of households and with community leaders were held to establish a map of functioning institutions in the community. Three instruments were used:

- Information on community services was obtained through interviews with key informants such as *Grama Niladari*, *Samurdhi* officer, Development Officer and Agricultural Research and Production Assistant.
- The community services were also discussed with groups of households, with an objective to learn the community’s perspective on the quality of service, its experience with collective action, and its views on local institutions and development projects.
- For the most important local institutions, interviews were held with leaders and members, as well as with non-members, in order to get a balanced view of the role of the institutions in the village, their development over time, their main activities, relations with other institutions and government, and their main strengths and weaknesses.
- The fourth and critical part of the data collection was a *household survey* which aimed to capture households’ actual participation in local institutions, their use of services, and information that identifies the welfare level of households and their coping strategies.

3.3. Methods of Analysis

The basic question to be addressed in the current study is: Are social capital created through the LEaD project makes an additional contribution to reduce the poverty level by means of improving the asset endowments of the project beneficiary households and, if so, by how much? To answer this question, we estimated three basic models on the base of three out of five forms of assets endowments (financial, physical and human) of households. In formulating the models, the poverty level of a household is measured with the level of endowments of these three forms of

assets and it is assuming that the improvement of the assets ownership as reducing of poverty. The key feature of this model is the assumption that social capital is truly “capital” i.e. a stock, which generates a measurable return (flow of income) to the household. However the social capital in our model is the independent variable.

$$ASS = \alpha + \alpha_1 SC + \alpha_2 X + u \text{-----}[1]$$

Where,

ASS = household Assets endowments. Here we consider three types of assets: financial (FA), human (HA) and physical (PA) and then three models can be estimated in getting these as depending variables.

SC = household endowment of social capital. It is measured using four social capital indexes: density of membership in societies (DM), collective actions score (CA), decision making index (DS) and social network (SN) putting these as independent variables in the equation.

X = A vector of household characteristics and it includes age of the respondent (AG), education (ED) and family size (FS) of the household.

u = error term

On the base of definition to variables above, three models can be developed for three types of assets.

SC= DM + CA + DS + SN and X = AG + ED + FS;

$$FA = \alpha + \alpha_1 SC_{DM} + \alpha_2 SC_{CA} + \alpha_3 SC_{DS} + \alpha_4 SC_{SN} + \partial_1 X_{AG} + \partial_2 X_{ED} + \partial_3 X_{FS} + u \text{-----}[1-1]$$

$$HA = \alpha + \alpha_1 SC_{DM} + \alpha_2 SC_{CA} + \alpha_3 SC_{DS} + \alpha_4 SC_{SN} + \partial_1 X_{AG} + \partial_2 X_{ED} + \partial_3 X_{FS} + u \text{-----}[1-2]$$

$$PA = \alpha + \alpha_1 SC_{DM} + \alpha_2 SC_{CA} + \alpha_3 SC_{DS} + \alpha_4 SC_{SN} + \partial_1 X_{AG} + \partial_2 X_{ED} + \partial_3 X_{FS} + u \text{-----}[1-3]$$

4. LOCAL EFFORTS FOR EMPOWERMENT AND DEVELOPMENT (LEaD) PROJECT

CARE Sri Lanka with funding from the Oak foundation initiated the Local Efforts for Empowerment and Development project (LEaD) under its Southern Dry Zone Development Programme in 2007. The final goal of the project is to ensure the improvement of human development and livelihood security in sustainable manner for marginalized and vulnerable communities in the project implemented areas. LEaD project has used the CARE International’s Unifying Framework for poverty eradication and Social justice in order to achieve the long- term objectives of the project. In line with this approach, the project has derived three levels of intermediate objectives– improved human condition, improved social positions and enabling environment using three key project strategies.

These are as follows;

1. Inclusion of poorest of the poor - The project facilitators have given special efforts to identifying exclusive groups in the social mobilization process and priority has been given to their need in developing the village development plans.

2. Empower communities – The purpose of this strategy was to help the poor communities in determining their own development priorities as it is suggesting in the trickling up approach instead of trickling down approach to development.
3. Creating a local level community governance structure–The project has paid special attention in promoting community participation and contributing in development process and strength their competencies to address governance related issues.

In outreach, the project targeted to ensure sustainability of livelihoods and socio-economic conditions for 17,000 poor and marginalized households, living in 476 villages of four Divisional Secretariats (DSs) in two districts: Moneragala and Hambantota by the end of 2012. The four DSs include Hambantota, Sooriyawewa, Thissamaharama in Hambantota District and Madulla DS in Monaragala district. In the initiative for example, the project worked with 29 villages in 2007 and expanded it into another 45 villages in 2008. In 2009, the project has been implemented towards further 44 villages in the above four DS divisions.

The projects comprised with seven output or programmes as under:

- | | |
|---|----------------|
| 1. Direct livelihood support to poorest of poor | - 86 projects |
| 2. Agricultural Livelihood projects | - 168 projects |
| 3. Fishery related livelihoods | - 14 projects |
| 4. Income Generating Activities (IGA) related livelihoods | - 170 projects |
| 5. Livestock Related livelihoods | - 11 projects |
| 6. Infrastructure related | - 131 projects |
| 7. Other micro projects | - 10 projects |

At the end of December 2012, the project has formed 165 Village Operating Units (VOUs), 167 Village Development Plans, and 26 Divisional Development Plans. The reports available from the CARE *Hambantota* reveals that in total 1,971 persons are currently members of 165 VOUs and 32,057 persons have participated in the VOUs meetings. In the implementation, together with the Government of Sri Lanka (GoSL) partners, the LEAD has identified total of 170 villages from the four DS divisions.

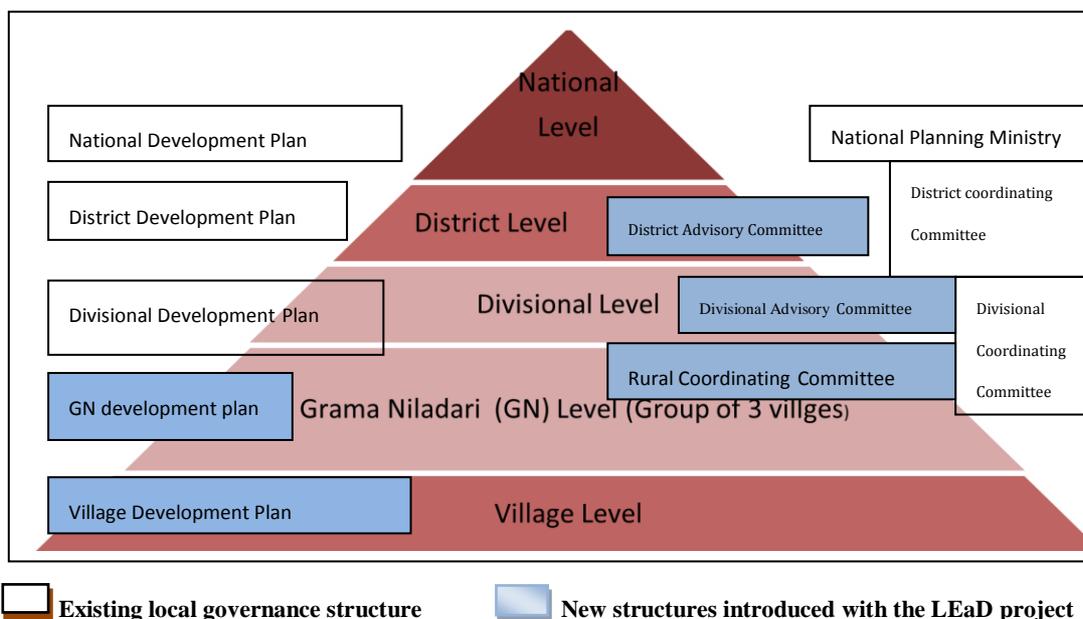
In side of institutional structure, two new community governance bodies: Village Operating Unit and Rural Coordinating Committee (RCCs) were formed for village level and Grama Niladari division respectively. In the community mobilization approach of the project, a VOU comprising with elected representatives of existing Community Based Organizations (CBOs) in the village and some volunteers. Among others, the roles and responsibilities of VOU, developing of Village Development Plan (VDP) on the base of situational analysis of the village and preparing a priority list are more important.

The RCC basically comprised of the representatives (2-3) of VOUs of the villages in the particular GN and the local level facilitators of the government including Grama Niladari, Samurdhi Niladari and Agriculture Research and Production Assistant. Planning, implementation,

and monitoring the development initiatives within the GN division are the entitle role of a particular RCC.

As can be seen from the Figure 02, newly established two local governance institutional structures (e.g. VOU and RCC) in the CARE model has a clear vertical relationship with existing government formal institutional structure. It evident that how CARE worked diligently at policy level to ensure the sustainability of participatory community governance by collaborating with existing government institutional structure.

Figure-2.Community governance structure of CARE within the existing government institutional structure



Source: CARE International Sri Lanka [2]

In the CARE model, there are sixteen steps within five turning points which should be followed in initiative which implements the community governance approach (CGA). As illustrate in figure 1 (3p), success of the project largely based on the skills, experinces and capabilities of the facilitators (input of Human resources) of the project rather than pysical or financial resources.

5. FINDINGS AND DISCUSSION

This section consists of two sub parts. In the first part, it assesses the effectiveness of the social mobilization process activated by the facilitating officers in the community governance approach (CGA) of the LEaD Project. In the second part, it assesses the impact of the CGA, estimating models which were developed in the methodology part using empirical data collected through the household sample survey.

Part 1

Effectiveness of the Social Mobilization Approach of LEaD Project

As clearly indicated in the conceptual framework of current study, facilitators should have followed five turning points with 16 steps in initiating the CGA. The awareness of communities about these steps through the five tuning points is used as proxy indicator to assess the effective use of the social mobilization process implemented with the LEaD Project.

1) The Interaction between Communities and CARE Facilitators at the Initial Stage of the Participatory Rural Appraisals Process is Ideal

CARE believes that lack the relationship between traditional leader of the community and facilitators is one of major obstacle to gain expected outcomes of a newly introducing project to rural community in Sri Lanka. With this believe, CARE has given more emphasis in initial stage of the project to the fact that strengthening the relationship between communities and facilitators. Respondents were asked to reflect on the relationship between CARE facilitators and themselves over the past five year period to assess the effectiveness of the services provided with the PRA process of the CARE model. Table 03 summarizes the responses received.

Table-1. The role played by the CARE facilitators at the initial stage of the Participatory Rural Appraisals (PRA) process.

Scale of 1 to 5 with the following statement	Highly agree %	Agree %	Moderately agree %	Disagree %	Completely Disagree	Total
Initial stage facilitators introduced the CGA to us	69.2	30.8	0	0	0	100.0
Without rift they attended to our home functions	37.5	38.5	10.6	11.5	1.9	100.0
All information on our family was collected	45.2	43.3	4.8	6.7	0	100.0
Provided technical support and guidance	59.6	32.7	5.7	1.0	1.0	100.0
Introduced us to top level government officials	25.0	51.8	8.7	13.5	1.0	100.0
We were motivated to generate more income	53.7	38.5	5.8	1.0	1.0	100.0
Friendship still remains	52.9	42.3	4.8	0	0	100.0
Average of all variables	49.1	39.7	5.77	4.81	0.7	100.0

Source: Sample survey data

Variables in the first column in Table 01 represent the 3 steps which have to be followed by the facilitators at the first turning point in the PRA process of the CARE model. The table clearly reveals that nearly 95% of respondents in the project area sub sample are satisfied with the initial stage of the PRA process - accounting for approximately 49% by highly agree ranking, 40% by agree ranking and 6% by moderately agree ranking. Thus, the degree of effectiveness of the PRA

process of CARE during the initial stage of the project is 95% and it was the main driving force for succession the LEaD Project.

2) The Project has raised awareness among the community about the important of social capital and the local community governance structure in poverty reduction effort in terms of improving their human condition, social position and enabling environment

The LEaD Project expected to meet three targets on completion of the second turning point in its social mobilization approach (SMP). These include: a) ensure the awareness of community about PRA, b) create a village development plan (VDP) based on the findings of the PRA and c) introduce the VDP to respective government officials [CARE International Sri Lanka \[2\]](#).

Table-2. Effectiveness of the second turning point in the social mobilization approach of LEaD Project

Variable	Highly agree %	Agree %	Moderately agree %	Disagree %	Completely Disagree	Total
Facilitating officers introduced the CGA	63.1	35.9	1.0	0	0	100.0
Mobilized communities without rift	53.4	43.7	1.9	1.0	0	100.0
Created a Village Development Plan	56.3	40.8	2.9	0	0	100.0
Selected instant activity from a priority list	53.4	38.8	7.8	0	0	100.0
Provided financial support or extension services to needy members	65.0	32.1	2.9	0	0	100.0
Introduced government officials to village communities	26.5	53.9	14.7	4.9	0	100.0
Provided technical assistance to & supervised the project selected	39.8	44.7	11.7	3.8	0	100.0
The selected project is successfully completed	65.0	32.1	2.9	0	0	100.0

Source: Sample survey data

Eight intermediate variables were used to assess the effectiveness of the three steps which should have been followed at the second turning point of SMP. Table 02 shows the degree of feedback given by the communities on each of these variables.

The estimated data in Table 02 reveals positive feedback at the combined first three ranking levels (as a group of highly agree, agree and moderately agree) ranging between 95% and 100%. At the combined two agree level of 'highly agree and 'agree' positive feedback ranged from 80.4% to 99% and along the highly agree level between 26% and 65%. These feedbacks of respondents evident to suggest that the LEaD Project has raised awareness among the community about the important of social capital and the local community governance structure in poverty reduction

effort in terms of improving their human condition, social position and enabling environment. This awareness of the community about PRA process has undoubtedly caused to change the communities' attitudes from "we unable to cross poverty line" to "we able to demolish the ceiling of poverty by ourselves". It means that CGA has helped the poor communities to increase their self-confidence to demolish the ceiling of poverty by themselves.

Part 2

Impact of the Community Governance Approach in Reducing Poverty

1) Effectiveness of Social Capital on Financial Capital Endowment

In order to see whether social capital engendered through LEad project is effective in contributing to financial asset accumulation, we estimated three models with the same regressions as in equation (1.1) but with three indicators of financial asset accumulation: average monthly income, saving/income ratio and access to credit are placing in the left hand side of the equation.

Table-3. Social capital and average monthly income

Independent Variables	Coefficient	t	Sig.	Fitness of the Model
Density of membership	.379	4.265	.000	$R^2 = .34$
Collective action index	.216	2.230	.028	F value=7.061
Decision making index	-.139	-1.524	.131	Sig. = .000
Social network	.219	2.402	.018	
Age	.013	.141	.888	
Education	-.085	-.896	.373	
Family size	.113	1.316	.191	

a Dependent Variable: Average Monthly income

Source: Sample Survey data

Note: Variable definitions are:

- Density of *Memberships*: Number of active memberships per household.
- Collective actions: score (0 to 100) of number of days worked per year as membership contribution in the three most important CBO including VOU.
- *Index of participation in decision making*: scale (0 to 100) of extent of active participation in decision making in the three most important CBO including VOU.
- Average number of times a household member visited to meet kinship ---officials according to eight criteria
- Education years of school including higher education.

Estimated R^2 value for the model is 0.34 and F value is statistically significant at three zero decimals. It means that independent variables are in the right hand side of equation 1.1 have higher level of fitness to explain dependent variable (e.g. income). The overall observation emerges from table 03 is that, even after controlling for other household characteristics, social capital makes a

significant contribution to asset accumulation in terms of average monthly income of project beneficiary households. The regressions underlying Table 03 showed that the effects of an additional membership unit elasticity of membership in an association is 0.3 and estimated t value (4.265) is statistically significant at three zero decimals. At the same time effectiveness of collective action and social network as a series of social capital on income creation is statistically significant at 5% confidential level. However, the results for the index of participation in decision making on income are puzzling at first sight. A further investigation revealed that the point elasticity associated with the family characteristics such as age and family size are in expected signs but impact on income is small. The striking finding emerge from estimated data in model 1.1 is that level of education does not cause to increasing income of rural poor household as correlation between two variables is negative. This attests that the important role of social capital implied by memberships in local associations in accumulating assets in terms of poverty reduction in rural households.

In a poor rural setting, a prime consideration for households is to develop coping strategies to deal with the risk of income fluctuations. This involves accumulating savings and access to credit as two types of financial asset which can be use in time of need. In order to see whether social capital is effective in accumulating savings and easy to access credit, we estimated two models with the same regression as equation (1.1) but with savings ratio (savings/income) and amount of borrowings putting left hand side.

$$SR = \alpha + \alpha_1 SC_{DM} + \alpha_2 SC_{CA} + \alpha_3 SC_{DS} + \alpha_4 SC_{SN} + \partial_1 X_{AG} + \partial_2 X_{ED} + \partial_3 X_{FS} + u \text{-----} [1.1.1]$$

$$AC = \alpha + \alpha_1 SC_{DM} + \alpha_2 SC_{CA} + \alpha_3 SC_{DS} + \alpha_4 SC_{SN} + \partial_1 X_{AG} + \partial_2 X_{ED} + \partial_3 X_{FS} + u \text{-----} [1.1.2]$$

Where, SR and AC terms the savings and access to credit ratios respectively

Table 04 summarizes the estimated results on the model 1.1.1 and 1.1.2.

Table-4. Efficiency of Social Capital on Savings and Borrowings

Independent Variables	Financial Capital	
	Model 1.1.1 (Savings-SR)	Model 1.1.2 (Loan -AC)
Density of membership	0.008 _{DM}	-.19 _{DM}
Collective action index	0.14 _{CA}	-.02 _{CA}
Decision making index	-0.20 _{DS}	.07 _{DS}
Social network	0.13 _{SN}	.01 _{SN}
Age	-0.19 _{AG}	-.19 _{AG}
Education	0.08 _{ED}	.07 _{ED}
Family size	-0.08 _{FS}	.08 _{FS}

Source: Sample Survey data

Where,

SR= average savings ratio as a percentage of monthly income

CA= Collective Actions as define in note in the table 01

DS= Density of Membership as define in note in the table 01

DM= Decision Making as define in note in the table 01

SN= Social Network as define in note in the table 01

AG= age, ED = education and FS = Family Size

Estimated result of model 1.1.1 in table 04 indicates which social capital variables were significant in which accumulating monetary savings by rural poor in the project areas. As it is evident from the model 1.1.1., collective actions and social network again are the most significant contributing social factors on savings accumulation. For example, marginal propensity to savings of a collective action index is 0.14 while the figure for social network index stood at 0.13 even under controlling for other household characteristics. The coefficient of Density of membership as a social capital factor is in expected sign but its effect on savings accumulation is not statistically significant. By contrast to the savings, access to credit (or investment) has not correlated with collective action index however positively correlates to the decision making and social network with small extent.

2) Effectiveness of Social Capital on Human and Physical Capital Endowment

Following Bloom, et al. [3], we predict that level of education (including training) and health care as the human capital that enhances economic performance both for the individual and at the level of macro-economy. Accordingly, human capital has been measured using single indicator of per capita educational and health expenditure (health as consumption good) of a household for three months average.

We estimated two separated models with the same regression as equation (1.2) for human capital and equation 1.3 for monetary value of physical assets acquired in last five years period putting them in left hand side of the equations.

The estimated results on the model 1-2 and 1-3 are showing in table 05.

Table-5. Effectiveness of Social Capital on Human and Physical Capital Endowment

Independent Variables	Human capital (HA) Model 1.2	Physical capital (PA) Model 1.3
Density of membership	.028	.040
Collective action index	.087	-.124
Decision making index	-.002	.114
Social network	-.041	.144
Age	.011	.031
Education	.202	.175
Family size	-.224	.058

Source: Sample Survey dat

Although the economic model estimated here is only pictured direction and elasticity of social capital variables on assets endowments of the beneficiary household however the results do not support to analyze the inside of the effectiveness of social capital made through the project on alleviate poverty of beneficiary poor households in the project areas. Therefore, hereafter the study attempts to integrate qualitative data in to quantitative data to fill the emerged gap.

As it was clear from case study 01, CGA of the LEaD project was not only aimed at specific intermediate target but a set of intermediate targets. It means that impact of the project on a given impact variable obviously spill-over to other variables. In theory on the other hand, social capital consists of multi-dimensions and grow by each other. In this context, we integrates qualitative and quantitative methods considering case study and estimating the inter-correlation (interdependence) between outcome variables in table 06 to assess the final outcome of the CGA of the LEaD project.

Case Study 1

Women's empowerment strong leadership and social cohesion

Melekolaniya is a small village in Hambantota DS where the majority of the population in the village is Islamic. It serves as an ideal example to assess the contribution and effectiveness the LEaD Project has made towards the empowerment of women in all social, economic and political aspects. In the focus group discussion, Saffia J.S. started to describe the whole history of Melekolaniya VOU. "The story I present is not true only for myself but for all my peer members with VOU. Before we engaged in the PRA process of CARE, our parents and husband strongly controlled us with the rule of 'women is a women' and did not allow us to step outdoors. This resulted in kinship as the only single source of our socialization and we didn't know much about the world beyond our confines. In 2007, CARE officers with the cooperation of the Samurdhi officer (female) helped us to break the ceiling placed upon our life. Initially they addressed our male counterparts, conducting awareness programmes highlighting the benefits that could be reaped to the households if we joining the PRA process of CARE. The feedback of the effort was effective. The traditional attitudes and views of our husbands towards women have changed radically and they allow us to join the PRA process of CARE. Lack of a CBO was the next challenge we faced in forming the VOU.

To overcome the challenge, we formed a women society named 'Uthsahaya samithiya'. With a lack of management skills, the performance of our Uthsahaya smithiya at the initial stage was ineffective. With an understanding of our needs, CARE facilitators have provided us with a variety of soft skills development trainings such as management, social harmony, bookkeeping and leadership. Through this training we gained the confidence and awareness about the government officers who are waiting with a bundle of services for the community, about our right to get their services and the art of how to claim our rights. We started practicing these soft skills through our Uthsahaya samithiya and the outcomes were success." In response to the question 'what changes had there been in social aspect of women empowerment after forming the VOU', Saffia said that '...before the CARE intervention, we did not have any cohesion with Sinhala women at all. We did not smile; our behavior in front of the Sinhala female was like a dumb person. In contrast, after joining the PRA process and forming the VOU, we laugh together and endlessly talk with Sinhala female friends even on our way to market.'

A young women named Roshanasauri (28) one of the committee member in the VOU Melekolaniya said that " CARE impacts us not only by forming social cohesion but also engendering community leadership among Islamic women and collective actions. For example as a group we visit to see the school teachers for the purpose of exploring the educational achievements of our children and a sramadana (collective work) has been organized to clean and to green the premises of the mosque and school through our Uthsahaya society." LEaD's community governance approach has not only supported women to empower social aspect of women empowerment but also to empower women in economic aspect. During the focus group discussion, A.Z. Noorjan a middle-aged business woman and secretary to the Melekolaniya VOU, stated that " ...before the arrival of CARE, I was a failed woman entrepreneur.

Continuation of Case Study 1

However now I am a successful women entrepreneur thanks to CARE's support in both the aspects of finance and trainings."The researcher asked if she was satisfied about herself. Her response was, "Yes. CARE through its various training programme taught us the importance of thriftiness and how to do business within the framework of social responsibility of businessman. I have followed all the rules and guidance given by the CARE facilitators in doing my business as well as in social work. As secretary to the VOU, my attempt over the past 5 year period was to link the CARE vision in social work and our Islamic traditions. For example, according to the Islamic view, interest earnings on credit have not been counted as profit or income to live. Interest collected from the members of the Revolving Loan Fund has been invested in various social related work such as the drinking water supply project for Montessori, to purchase garbage cans for school and various needs for funerals. I say that I am a business woman produced by LEaD Project of CARE."

From the perspective of political empowerment of women, the majority of VOU women stated that before forming the Uthsahaya Samithiya, they did not know the power of their vote in an election. "We were mostly flexible to our husbands view in voting. But now this has changed, our husbands ask our decision in selecting a member to a local government body. We have organized and participated in a number of protection campaigns as collective actions to eliminate the habitual drinking by our male counterparts. Now we are remarkably aware that the road is a public good. We do not allow the drunkards to access our road. If there is such a behavior we don't hesitate to call 119 (an emergency telephone number to dial the Police).

One can make a number of profiles referring and linking the statistically significant combinations of impact variables (** see footnotes to table 06) in the correlation matrix table 06 and can easily identify the factors that are mostly affecting a given impact variable. Using correlation matrix in table 06, it can be easily explained the mechanisms of the LEaD project satisfactorily reached its three objectives: improvement of the enabling environment, human condition and economic and social position through the inputs implemented with the project. These three objectives are also inseparable and highly interdependent to each other.

Provision of microfinance by creating a revolving fund for example, is the most popular input implemented through the LEaD project. Creating revolving funds with VOU undoubtedly increased opportunity for the members to access easily micro credit, which is also properly continuing even today. With these facts, microfinance sector of CARE can be considered as an effective starting point to explain the causality of impact of CGA of the LEaD project beneficiary communities. As it illustrates in table 06, the outcome of the revolving fund (MF) has two channels: left-hand side and right-hand side. In starting the former channel, if microfinance is invested in income generating activities by the women members, increased opportunity to micro credit results increased sources to family income (.501**), in first and then spill over it effect towards, increased regular saving in a month and increased women's contribution to family income simultaneously and in turn increased gender equality in term of economic empowerment of women and finally increased self-

confidence. In the later channel of the right-hand side, increased regular saving in a month as an outcome of micro-credit, parents have capability to spend more money on their children education. As it evident in table 06, increased regular saving of a family in a month results the increased quality of child education, increased family health, increased adherence of youth to the village, decreased narcotic use and finally, decreased uncommon marriages (like child marriages). As shown in table 06, inter-correlation of all the impact variables stated above are statistically significant at 5% level.

Table-06. Inter-correlation between impact variables

Impact Variables	Increased self - confidence	Increased gender equality	Increased women's contribution to family income	Increased sources to family income	Increased regular saving in a month	Increased opportunity to access micro credit	Increased quality of child education	Increased family health	Increased adherence of youth about village	Decreased reported larcenous	Decreased narcotic use	Decreased uncommon marriages (like child marriages)
Increased self - confidence	1	.517(**)	.222(**)	.285(**)	.320(**)	.227(**)	.356(**)	.287(**)	.177(*)	.179(*)	.314(**)	.124
		.000	.002	.000	.000	.002	.000	.000	.014	.013	.000	.086
Increased gender equality		1	.286(**)	.336(**)	.199(**)	.128	.216(**)	.245(**)	.184(*)	.007	.235(**)	.105
			.000	.000	.006	.079	.004	.001	.011	.924	.001	.146
Increased women's contribution to family income			1	.457(**)	.287(**)	.214(**)	.185(*)	.263(**)	.209(**)	.004	.085	.187(**)
				.000	.000	.003	.013	.000	.004	.954	.238	.009
Increased sources to family income				1	.501(**)	.272(**)	.362(**)	.336(**)	.126	.035	.220(**)	.108
					.000	.000	.000	.000	.081	.633	.002	.134
Increased regular saving in a month					1	.429(**)	.285(**)	.263(**)	.186(**)	.118	.300(**)	.234(**)
						.000	.000	.010	.104	.000	.000	.001
Increased opportunity to access micro credit						1	.138	.066	.099	.059	.175(*)	.144(*)
							.066	.367	.172	.418	.016	.046
Increased quality of child education							1	.417(**)	.278(**)	.149(*)	.246(**)	.183(*)
								.000	.000	.046	.001	.014
Increased family health								1	.258(**)	.034	.181(*)	.113
									.000	.639	.012	.119
Increased adherence of youth about village									1	.169(*)	.163(*)	.244(**)
										.019	.024	.001
Decreased reported larcenous										1	.346(**)	.222(**)
											.000	.002
Decreased narcotic use											1	.430(**)
												.000
Decreased uncommon marriages (like child marriages)												1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

CGA of the LEaD project having positive benefits to the communities of the project, were not only generated from the provision of MF but also from the provision of infrastructure development projects. As it was indicated in earlier in the current study (6p.), 131 infrastructure development projects including, irrigation related projects, and road rehabilitation projects have been implemented by the LEaD project. The impact of these infrastructure projects on communities can also be assessed by using the correlation matrix in table 06. Expected outcome of infrastructure development project of the LEaD was to increase the income sources to family in the project areas.

6. CONCLUSION

In this study, the aim was to assess the effectiveness of the CGA implemented through newly established two community governance structures - VOU and RCC - through the LEaD Project of CARE International Hambantota, Sri Lanka. This study has highlighted the central importance of creating social capital and local community governance structure among rural community as a poverty reduction effort in terms of improving their human condition, social position and enabling environment.

The most obvious finding to emerge from this study is that CARE International Hambantota Sri Lanka has strikingly benefited the communities in the project areas, strengthening most of the social capital dimensions such as improving social network, initiating and strengthening collective action and cohesion, capabilities and capacity through its social mobilization approach and participatory governance structure with the LEaD Project, compared with the communities in the non-project villages.

The empirical findings in this study provide a new understanding that the effectiveness of a poverty alleviation project largely depends on factors such as degree of community governance approach, mission, vision and experience of resource agencies in social works and most importantly the skill capacity of the facilitators rather than money value allocated. With this understanding, we recommend that the participatory community governance approach implemented through VOU and RCCs with the LEaD Project is desirable for replication as an effective model for reducing rural poverty elsewhere in Sri Lanka. Further experimental investigations are required to estimate the negative externalities that may have existed in the project to other all creatures in surrounding areas as well as how to use the positive externalities which have resulted from the LEaD Project (such as human resources and trained staff in social work) in replicating the model. The findings of this study highlight the importance of a participatory community governance approach and the structure adopted by LEaD Project for poverty alleviation and future community empowerment.

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