



The Asia Foundation

INSPIRED: Case Study on Provision of Seed Grants to Promote Inter-Community Collaboration and Social Cohesion

Executive Summary

Asia Foundation is supporting a project in the Eastern Province, to promote social cohesion through inter-community engagement in the business sector and through advocacy for institutionalization and provincial replication of successful inter-ethnic reconciliation pilot initiative. This project is based on the premises that if all communities involved in the formal and informal economy are supported to interact collaboratively around common economic interests, and the resulting benefits are inclusive and available equally to all, then inter-community relations at the community level will also improve.

A segment of this project is to disburse 78 seed grants to micro businesses that have been a part of the current program. The seed grantees have applied for a grant from LKR 100,000- LKR 200,000. The grant was dispersed on the basis of 80% and subsequently the remaining 20% at the time of the interviews being conducted.

The goal of the grants is to specifically reach the below criteria/milestones;

- Promote overall social cohesion
- Promote intercommunity cooperation and integration on economic activity
- Widen intercommunity networking and collaboration
- Enhance profitability and livelihoods

In order to assess the above criteria, 9 grantees comprising of micro businesses were interviewed among the 78 recipients. Prior to the interviews being conducted there was a base-line survey carried out among all the grantees. The survey was conducted online through the ODK tool to set a baseline in terms of understanding of the group in terms of the above specified goals that have set down, as well as see if there were any other insights that could be drawn from the surveyed group regarding the goal-set of the program.

The survey captured a snapshot of the existing situation and the participants' perceptions of inter-community interactions within and across ethno-religious community groups. While the sample size was small 45 grants, i.e. 15 from each district, the data was important in drawing some broad conclusions.

Semi structured interviews were conducted in person in the respective areas of operation of the recipients and 9 such businesses spoken with. Some were sole proprietorships and others partnerships. Each interview was conducted with the aid of a partner organization or with a translator. In large, the respondents rated the program quite well for promoting social cohesion, inter community cooperation and integration, and enhancing of profitability of livelihoods. There were certainly very clear examples of the above happening in some of the respondents who were interviewed.

However, there was an element of the sample size, at least in part, which had previously been targeted by local partners to achieve similar ends through other past projects. At least 2 interviewees had been involved with NGO/Partner based programs for at least 10 years. This is a positive outcome, as these individuals played the role of facilitators and leaders within their network.

There were also participants who were involved with such program for the first time. Overall, participants from Ampara and Trincomalee showed a higher level of understanding in relation to the promotion of social cohesion, intercommunity cooperation and integration on economic activity, broader intercommunity networking and collaboration; compared to their counter parts in Batticaloa. When asked if they value the grant money or the program most, all six participants in Batticaloa rated the grant money as being more important. While in Ampara and Trincomalee only one responded stated that the grant money was more important to them.

The evidence from all three districts support the two elements of P2P to promote peace; One is *contact theory*, which presumes that prejudices will lessen and attitudes toward others will improve through regular, purposeful engagement through cooperative activities. All respondents stated that the regular meetings that were arranged by the partners helped them built trust among the communities. This was especially important post the attacks that were carried out on Easter Sunday, where the risks of communal violence increased (cite) especially in the East of the country where some of the attackers originated from.

Overall, it could be said that giving the selected recipients both lump sum cash and trainings have led to improvements in reaching out seed grant criteria.

The handing of grants has led participants to think in the longer-term in terms of profitability and improvements to their livelihoods. As shown by the survey results, vast majority of the business total revenue a month did not exceed the grant amount. Thus, **prior to the grant sum coming in was a hand to mouth existence. However, post the grant funding 7 out of the 9 interviewed businesses have made investments in the future.** All 9 interviewed business participants had positive outlook and plans for the future growth of their business. One of the best skillsets that were transferred from the program to the participants was basic keeping of accounts. Most of the interviewed participants in all districts cited learning of basic bookkeeping as the major takeaway from the program, and what has helped them the most.

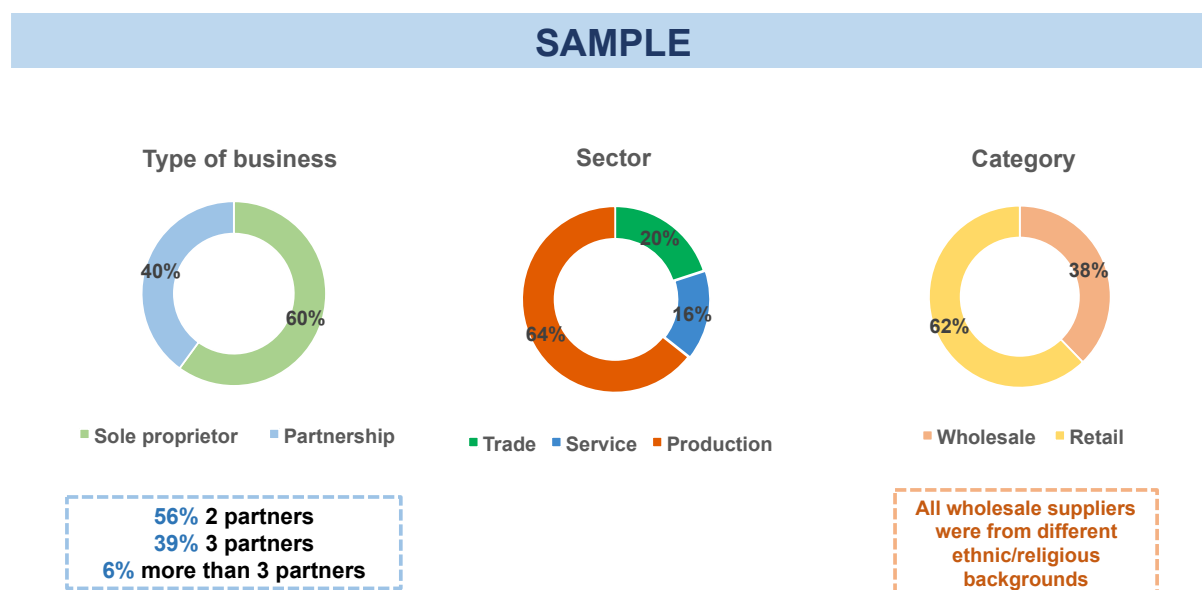
The interviews that were conducted, together with the survey findings support that the program has led to a positive outcome in terms of the targeted milestones. Given the

overall period spent on survey, and the methodology there are limitations to the findings. There were also restrictions and ground realities that would have affected the case studies as well. But both the survey results as well as the interviews even with restraints give a clear idea that goals-set above have been achieved.

Survey Findings

The survey was conducted among 45 grants 15 from each district. The survey was conducted through the help of the partners in the area of operation; this may have led to some skewed responses by the participants. In order to get a true assessment of the participants' state of mind, certain questions were repeated in a slightly different form and two hypothetical scenario questions were introduced. The full sets of findings of the survey results are on annexed herewith.

The survey covered both sole proprietorships, as well as partnerships, and covered trade, service as well as production. It was important that 64 percent of the respondents came from a production background, as it would require for them to deal with a variety of suppliers and customers.



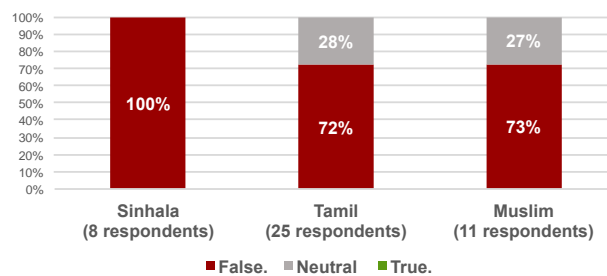
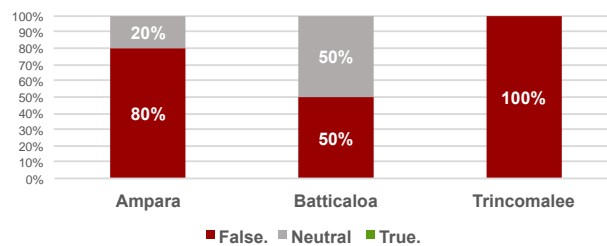
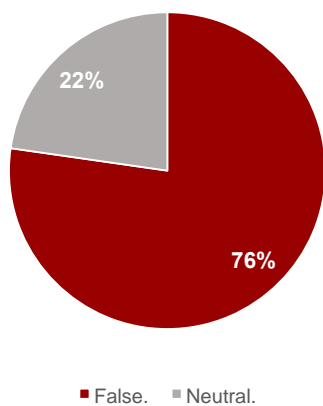
While the survey findings supported the promotion of intercommunity cooperation and integration on economic activity and broader intercommunity networking and collaboration, it was also clear that between the survey participants there still was an element of distrust of other ethnic groups and communities. For instance, when questioned on what was the most for them important when looking into purchase of raw materials, 98 percent of the respondents stated it was the 'price', which showed some acumen of business thinking. However, when questioned if 'Religion/Ethnicity of the

supplier being the same as yours' was important to them, 24 percent responded stated it was either 'somewhat important' or 'important' for their purchases.

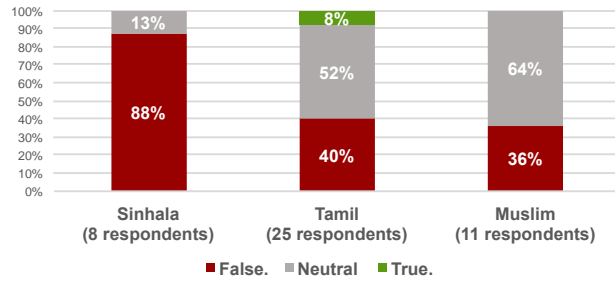
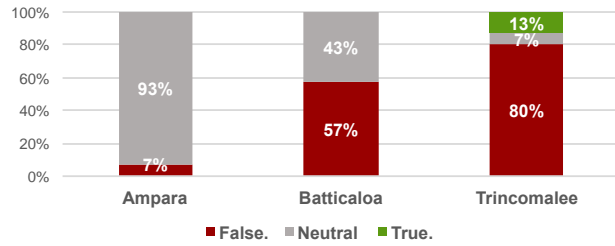
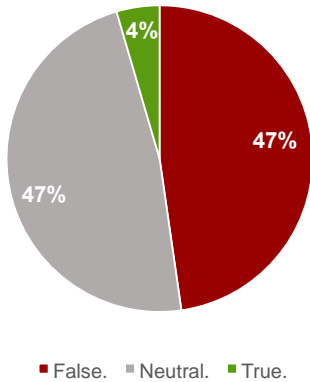
Under the question 'Other ethnic groups tend to work only for the benefit of their own community, and not for the betterment of the broader community', 76 percent of the respondents stated it was a 'false' claim, while 22 percent stated they were 'neutral'. And in Batticaloa 50 percent of the respondents stated that they were 'neutral'. One could draw the 'neutral' claim as tacit agreement of the statement. The results in Batticaloa, at least in part, can be explained by the fact that, some of the Easter Sunday Attackers originated from the area and targeted some locations with devastating results.

When questioned on the following statement, 'Ethnic groups do not want to share their profits with individuals from other ethnic groups.', the results were starker with average 47 percent staying 'neutral' to the comment and 4 percent agreeing with the statement. In essence, this could be seen as a majority of the respondents agreeing with the above statement.

OTHER ETHNIC GROUPS TEND TO WORK ONLY FOR THE BENEFIT OF THEIR OWN COMMUNITY, AND NOT FOR THE BETTERMENT OF THE BROADER COMMUNITY.

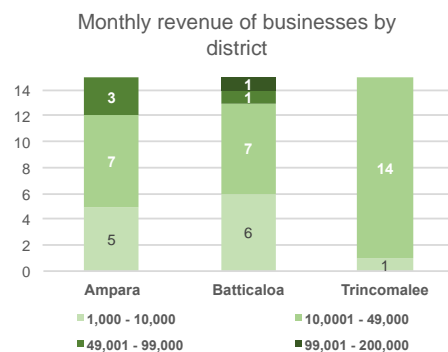
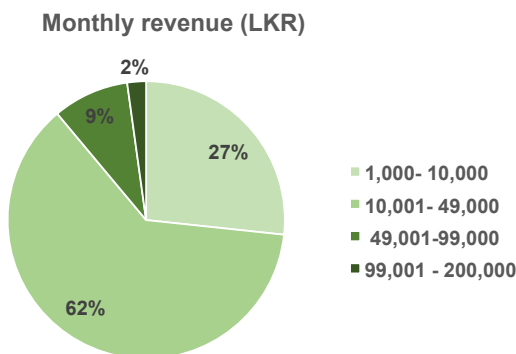


ETHNIC GROUPS DO NOT WANT TO SHARE THEIR PROFITS WITH INDIVIDUALS FROM OTHER ETHNIC GROUPS.



In terms of economic performance of the business that was funded, the findings were very interesting. Sole-proprietorship that accounted for 40 percent of the surveyed sample had more revenue generated than partnerships. For instance, no partnership exceeded revenue of LKR 49,001 while 18 percent of sole proprietorships exceeded the amount. However, in stark contrast partnerships as made profits compared to single sole proprietorships. Which could be seen as partnerships having more accountability and checks-balances compared to the individually owned business when it comes to expenses.

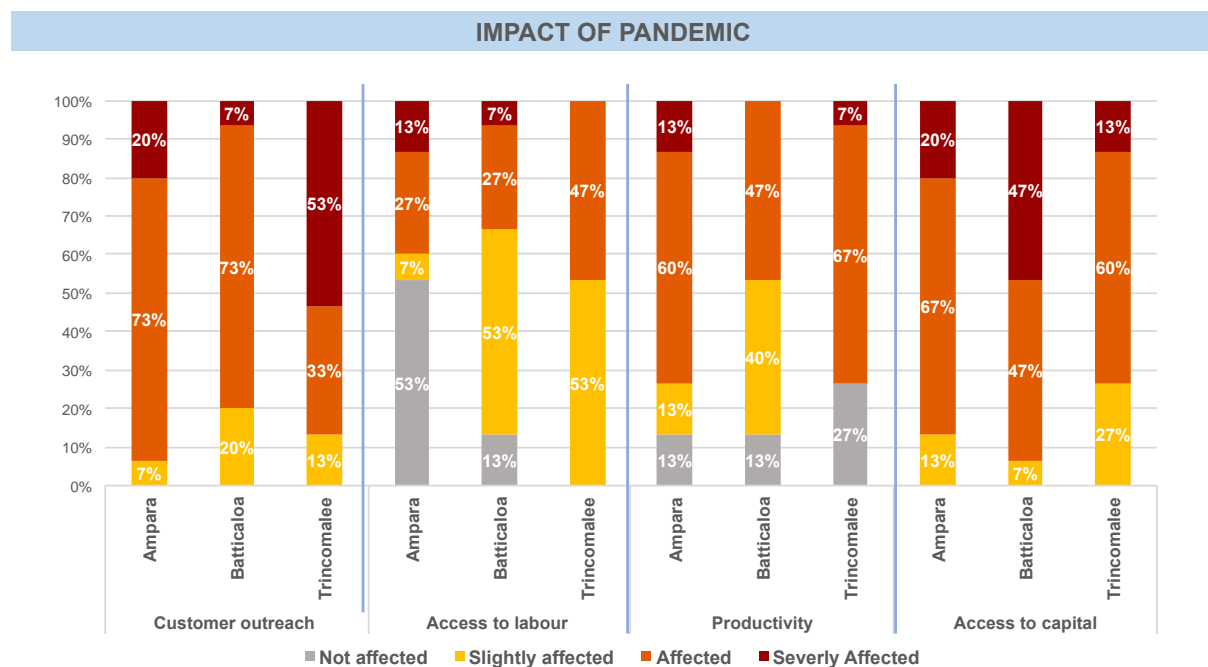
MONTHLY REVENUE



	1,000 - 10,000	10,001 - 49,000	49,001 - 99,000	99,001 - 200,000
Sole proprietor	14.81%	66.67%	14.81%	3.70%
Partnership	44.44%	55.56%	0.00%	0.00%

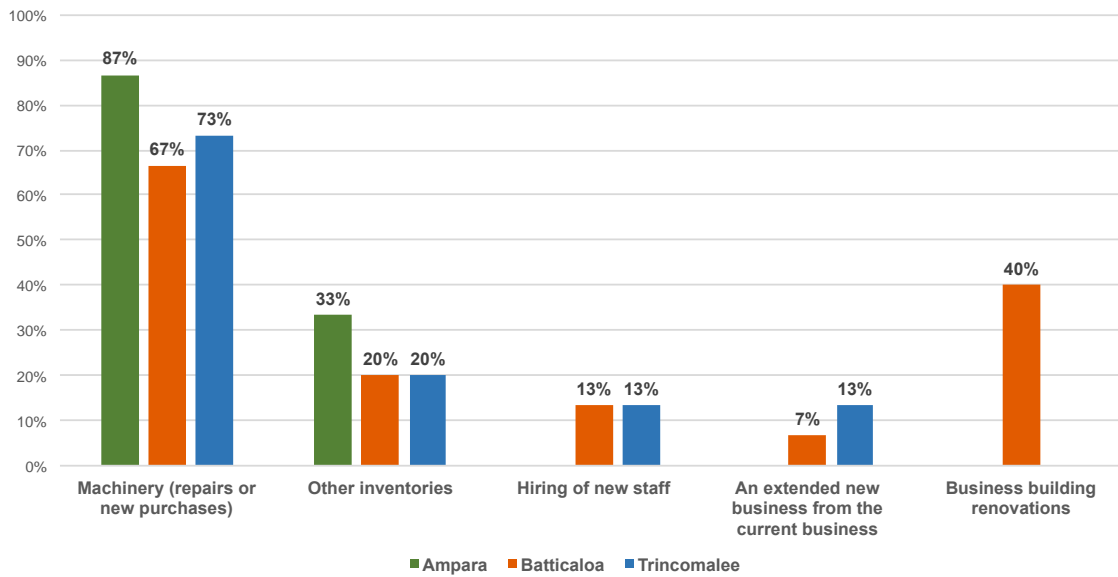
	Makes a profit	Doesn't make a profit
Sole proprietor	81.48%	18.52%
Partnership	94.44%	5.56%

In terms of economic hardships and challenges a vast majority of the respondents have got negatively affected by COVID pandemic. This was also very apparent when the interviews were being conducted. During the interview process most participants stated, that COVID has had a much bigger negative impact on their business when compared to the Easter Sunday Attacks.



In terms of the findings, **majority of the grant money that was disbursed was going to be spent on capital expenditure. This is a very important outcome, as it would lead to better products and output increments, which will have a ready return for the participants and will go a long way in achieving the goal of *Enhancing profitability and livelihoods.***

SPENDING OF GRANT MONEY



The overall survey provided enough support to back the fact that the program has led to ideas of social cohesion, intercommunity cooperation and collaboration. When questioned on whether ethnicity of an individual is to be taken into consideration when hiring a new recruit (when other factors are controlled), 51 percent of the respondents stated that they will do what is best for the business, and ethnicity was not a factor in hiring, *“My organization does not consider ethnicity/religion. So I will choose what is profitable for my business”*

In terms of economic performance, while single owned business did better in revenue, they made less money as a percentage compared to partnerships.

1. Interviews & Key Findings (Batticaloa)

Prior to meeting with the recipients, a meeting was organized with the partner ESCO to get an overall idea on how the program was carried out. In Batticaloa there were 5 separate interviews that were conducted between 6 grantees.

1.1. Ms. Joseph Preamila joint applicant with Ms. M.H.Hainoon Nisha

Ms. Joseph Preamila a Tamil Christian woman business owner was invited to join the program by the partner. Even though she initially was reluctant to join the program, she was convinced to attend a few workshops. She later joined the program and became an active participant. Her current business model is tailoring custom dresses. She is the sole breadwinner for her family. She operates her business from her home.

From a social cohesion perspective, what made her case quite interesting was the fact that her location Manumunai North is a short distance from Kattankudy ; the location of the alleged mastermind behind the Easter Sunday Attack, which targeted Christians both in Batticaloa and Colombo. Post attacks there was a very high degree of tension between

both Muslims and Christians communities ¹ “Easter Sunday’s bombings produced Sri Lanka’s deadliest single day of terrorist violence and its first experience of Muslim-on-Christian mass violence”

She strongly felt the program elements of networking and speaking to Muslims in the area helped her navigate the post-attack time period. Her joint applicant for the grant is Ms. M.H.Hainoon Nisha, a Muslim from Kattankudy. She mentioned even though of her geographical proximity to Kattankudy was very close prior to the program; her interactions with Muslims were very limited. She was also inspired by the talks that were given during the project period by successful female entrepreneurs who have made strides in their business.

From an economic perspective, the program has had an impact in the way she has run her business as well, as she now keeps accounts of the transactions. Many of the later recipients cited the fact that learning on how to book-keep through the program has helped them with managing cash-flow and then expanding. Her network expansion through the program also has led to more business for her with more Muslim clients buying her product.

When asked on what was most useful to her in terms of the project, the recipient stated it was capital that was most useful to her.

Mrs. M.H.Hainoon Nisha was the most economically marginalized recipient from the individuals interviewed. She is the mother of 3 and a divorcee and till very recently not a homeowner; her current home has been gifted to her by a well-wisher. Given her income source and her expenses it would have been impossible for her to acquire a home without help.

Mrs. M.H.Hainoon Nisha has been recommended by government agent to join the program and her partner for the application is Ms. Joseph Premila. Even though M.H.Hainoon Nisha was from an economically disadvantaged compared to her partner; her exposure with both Sinhala and Tamil communities was broader. Prior to being involved in the program she has travelled extensively both in the East as well as the Central regions engaged in doing door-to-door sales. Due to this exposure and need, she could speak both Sinhala and Tamil well.

Given the history of her work, she seems to have had good and stable relationships with all ethnic groups in the area. Her main advantage has come through the skill set she has acquired through the project on accounts/bookkeeping and the grant itself.

Her partnership with Ms. Preamila has helped her increase her product offering, and she has introduced Ms. Preamila’s work for sale. This is a direct economic benefit for her. The capital grant has also allowed her to open a very small storefront

¹**After Sri Lanka’s Easter Bombings: Reducing Risks of Future Violence**

<https://www.crisisgroup.org/asia/south-asia/sri-lanka/302-after-sri-lankas-easter-bombings-reducing-risks-future-violence>

close to her home, and invest in working capital to have some stocks. What the grant in this case has done is solidified an already existing relationship, and made it stronger. The grant in this particular case has very directly led to, Promoting intercommunity cooperation and integration on economic activity.

When asked on what was most useful to her in terms of the program, the recipient stated it was capital that was most useful to her.

1.2. Gnanapragasam Jeewamalar sole applicant

Ms. Jeewamalar is from the Eravur Pattu, Chenkalady DS in Batticaloa. She started her business in 2013 and till 2019 has steadily grown the business. Her primary business model is Refreshment (Manioc chips) Production and Sale (Under the name of J. G. Products), and her primary customers are all small shops, thus can be classified as a B2B. What is interesting is even though **she is Tamil Christian (who lives next to a large church in the area), her primary suppliers have all been Muslim traders from Kattankudy.**

Her point of contact for the project as has been ESCO. She has used the received grant money to invest in a machine that helps her with the chips production. Her daily production rate has gone from 20 kg (done solely by hand) to 80 kg a day. During the last 18 months period, she has also used the network and the knowledge she gained through the project to expand her customer base and area of operation. She has expanded her corporate customers from 12 to 16, and the area of operation to 16 km from her home. Further to this she has also gained customers through the project, where her product is bought and exported out of the island to diaspora members. In terms of day-to-day challenges, she mentioned that both COVID and the Easter Sunday –Attacks had a negative impact on her business. However, with time, she has coped and overcome these challenges.

Through the course of her business she has had built strong relationships with Muslim traders, thus there was inter-ethnic business relationship ongoing. Not only that, even post the attacks these relationships have withstood the attacks on her community that originated at least in part from individuals from Kattankuddy. This could primarily be perceived to have based on co economic dependency, as her business is 45 mins away from Kattankuddy. Which means, if there was a closer alternative for her products to be sourced, she would have done it previously. The project has allowed her to expand on her current network and increased her business acumen.

In terms of feedback on how to improve the project, she mentioned that if the project allowed for more ‘technical’ training, it would have been an asset. In her case, this would have been more information on more product lines being added to her current portfolio.

When asked on what was most useful to her in terms of the program, the recipient stated while all elements were important to her, it was capital that was most useful.

1.3. Marimuthu Sahunthaladevi joint applicant with Kingsly Bawani ,Vivekananthan Nalini

Marimuthu Sahunthaladevi, Kingsly Bawani and Vivekananthan Nalini from Koralipattu DS in Batticaloa and were joint applicants for the grant, and at the time of this interview which was conducted the grant funding has not been yet received by them. Thus, they were not questioned on which between the project or the grant was more important to them.

Marimuthu Sahunthaladevi had the most mature business from those interviewed in Batticaloa. Her business was tailoring and she also sold ready-made garments in her shop called 'Janu Tailors'. She also had at least one full time employee to help her with the store. During the interview process she stated that she had 2 more employees that worked for her part-time; however, during COVID due to the downturn in the demand in sales, she has used their services less. She has spent nearly 24 years in her current business. She has moved in to a storefront 4 years ago after saving some funds to do so. She also has a Facebook page for marketing and is using it for online interactions with customers.

While her shop was located in a Muslim town, all 3 ethnic groups from the area have patronized her shop. Her ability to speak fluently both in Tamil and Sinhalese have helped convert customers from all ethnic backgrounds. She has capitalized on both location and knowledge of language to grow her business.

She has got involved in the program after ESCO reached out to her and then started participating. Her current co-applicants for the grant are from the same village, so she has known them before and there was collective trust prior to the project. All three partners have also done business together previously. Prior to her engagement in the project she has had strong connections with all communities.

When questioned on what the most important facet of the project was, she mentioned that was learning on accounts; as prior to the project she had very little knowledge on bookkeeping.

Kingsly Bawani and Vivekananthan Nalini are the co applicants of the grant. They operate their business through their home and have worked Sahunthaladevi shop to sell their garments. They have operated their business for more than 16 years, and have also made investments into their business (mainly buying a sowing machine) through a Samurdi Business loan.

Both participants echoed what was told by their peers, that the program has *helped them expand their current network*. It has also helped them have more access to suppliers as well as customers from all ethnic groups. Unlike Sahunthaladevi, whose clients are from all three ethnic groups, their clients were primarily from the village they lived in. When speaking on the grant money, they mentioned that they would invest it in both working capital as well as acquiring a new machine tailoring.

2. Interviews & Key Findings (Ampara)

Prior to meeting with the recipients, with a meeting was organized with the partner GAFSO to get an overall idea on how the program was carried out. In the Ampara district, 3 separate interviews that were conducted among 3 seed grant recipients. As in Batticaloa, all interviews were conducted with the presence of the partners who have been actively working with the recipients.

In terms of the partner intervention, GAFSO is involved in 3 DS divisions, which are both multi-ethnic and multi-religious. Interviews were conducted with one Sinhalese, and two Muslim project participants. Of note here is that GAFSO has under-taken a Trade Fair in September 2020 to introduce the 60 participants to one another, and to introduce their products to the market. This event has opened many opportunities for the participants to expand their business as well as network. The event would have also aided in social cohesion, and it would have brought individuals from all different ethnic and religious groups together. Although all 3 partners have undertaken this at district level, the respondents in Ampara were the only ones to cite it as a clear example of fair helping them expand their business, network and exposure.

All three interviewed parties were nominated to GAFSO through a government agent, which was a departure from the interviews that were conducted in Batticaloa. One of the three participants clearly stated that her experience in the project was more important than the grant money itself. All three participants were on average on a better economic footing than their counterparts in Batticaloa.

2.1. Herath Mudiyansele Priyadharshani Sharmila Herath

Ms. Sharmila from Adalachenai DS division has been involved in cultivating mushrooms for the past 3 years. She is a mother of two and is married to a schoolteacher. Her husband has been supportive of her endeavors. Sharmila has started her mushroom cultivation with help from a government agent (GA); the agent has been responsible for the technical training as well as providing the seeds that were needed for the cultivation process. In terms of her involvement with GAFSO, she has been recommended to the partner through the GA.

Her current operation runs out of her home. She currently lives approx. 20 km from Ampara town, and she is approx. 10 km away from the nearest small town. Currently she provides her mushrooms to a local grocery shop in the area. Prior to her involvement in the project, her interactions with individuals from other ethnic groups have been very limited, both her background as a Sinhalese who recently relocated to the area and geography in terms of distance would have played a role in this.

She cited the growth of her 'network' as a major positive outcome following her involvement in the project. She specifically took pride in the fact that she has helped

'introduced' Muslims to eating mushrooms in the area and beyond. She also specifically cited the 'Expo' which GAFSO conducted having a 'life changing' impact for her, in terms of the confidence building, and network building. She also cited an example of Abdul Salam Mohamed Nasurudeen a participant and an experienced entrepreneur calling to check-up on her and giving them feedback on how to expand her business regularly.

Her grant money has been utilized for buying a machine that helps her pack her product; this has helped her free her labor so she can concentrate on other product lines. She has already added one more new variant to her product offering.

In terms of future improvements she did mentioned that she will be interested in getting more technical training from a follow up program.

When questioned on what aspect of the project was more important to her, *she mentioned it was participating in the project itself and the grant money while important was secondary*. This was the first time that a participant stated the elements of the project and its process being more important than the grant itself in terms of the impact it has had on her life.

2.2. Abdul Salam Mohamed Nasurudeen

Mr. Nasurudeen has been making milk products from 2007. He was a resident of Colombo, and moved to Ampara as the cost of living was lower and he wanted to have a fresh start. His initial training and funding for capital expenditure has come from the International Labor Organization (ILO). Some of the refrigerators that Mr. Nasurudeen received at inception from ILO were in operation at the time of the interview. His business under the brand of Ansari was the most mature in terms of both scale and period of operation from the recipients. He had two full time female employees at the time of the interview that worked in production. Mr. Nasurudeen has been nominated for the project by the DS office.

In terms of the project takeaways, he mentioned that prior to joining the project he had little knowledge on bookkeeping. And that learnings on accounts as well as understanding and implementing a business plan has helped him immensely. He also **has gained skill sets on working as a group as he was accustomed to working alone prior to this program involvement.**

However, he has lost some customers post the Easter Sunday attacks with some Tamil/Sinhala shops refusing to carry his product. From all the recipients that were interviewed, Mr. Nasurudeen business seems to be the most hardly hit post the Easter Sunday Attacks. His business has also suffered due to onset of COVID and the lock-down restrictions that followed, as most of his consumers are school goers who buy the product from shops near to their school.

Given the context that he operated in, he has used the first installment to pay off debt as well as use it for working capital.

In terms of feedback, he would have liked to receive more technical knowledge; Participants in Batticaloa, as well as Ms. Sharmilla echoed these sentiments on what was lacking in the project. *Given the scale of his business and the context he was operating in, he also mentioned that more funding and support financially would help as well.*

2.3. Mohideen Bawa Abdul Latheef

Mr. Latheef started his work life as a tailor in the Middle East and has returned to Sri Lanka in 2001 following which he started his business from a Samurdi loan for LKR 200,000. His business is called STN Sofa Center, and to date he has grown his business through word of mouth. His base of operation is his home in Pothuvil and his uncle aids him in his business and draws a salary for his work. He has also started working on cushion work on Three-wheels and motorcycles in the area. Currently the vast majority of his customers are from the Muslim community in the area.

He heard of the project through a local government agent. In terms of the project benefits, **he mentioned that being able to meet others from different communities through the program has helped.** However, when pressed on how this has helped his business he was not able to come up with concrete examples. This was also apparent when questioned on his customer-base, where he stated that it was mainly from a localized area in a short distance from his base. As other respondents, he mentioned that learning business planning and basic accounts have helped him deal with the cash flow. He was also inspired by the Talks that were conducted by successful entrepreneurs.

He has used the grant money to buy a new machine, which was readily visible when entering the premises and for working capital.

In terms of what is affecting his business, the Easter Sunday Attacks have had a minimum impact in his case whereas the *COVID outbreak has had dire consequences, due to the lack-of movement and limited cash being spent by customers on his product line.*

In terms of feedback, he mentioned that more input in terms of marketing products would have been helpful. He also highlighted that if more funding was available, it would have been better for his business expansion. *When questioned on what was most useful to him in the project, he stated that the funding element came in most useful.*

3. Interviews & Key Findings (Trincomalee)

Prior to meeting with the recipients, a meeting was organized with the partner Sarvodaya to get an overall idea on how the project was carried out in the district. The project started in 2018, and by the end of it 88 individuals remained active, out of which 21 participants

have received funding representing 15 businesses. The interviews in Trincomalee were conducted post Batticaloa and Ampara interviews.

These are their stories.

3.1. V. Jayamaldevi joint applicant with Ms. Thanuja Kumari

Ms. V. Jayamalr Devi and Ms. M. Thanuja Kumari who are joint applicants for the grant could not come from more different worlds even though they are separated by approximately 10 km from one another. On one hand, Ms. V. Jayamala Devi originally from Kalmunai, Batticaloa has moved to Trincomalee post her marriage. Prior to being involved in this project she has rarely left her home, much less the neighborhood she has been living in other than to visit her mother in Kalmunai and to buy fabrics for her business. She has moved into starting a small tailoring job to supplement her husband's income more than 24 years ago. Ms. Thanuja Kumari on the other hand, has always lived in the town and has had a very active social life, her husband's income had been adequate for their needs but as her kids grow up she has decided to start her business for added income.

Ms. V. Jayamals Devi has been tailoring for more than 24 years. She has been tailoring for individuals she has known, and also people who have got to know of her work through word of mouth. Other than her skill at tailoring her ability to source Indian fabric from Indian traders from her visits to her mother in Kalmunai has set her product apart from others.

In terms of her involvement in the project, Sarvodaya has reached out to her in order to join the project and she stated that this has greatly benefited her. The expansion of her network, and the 'freedom' she has got to travel and meet others was what she valued. **She credits finding her partner Thanuja to the project and stated such a partnership with a Sinhalese woman could not have been possible if not for the networking provided through the project.** *Like most of her peers, she mentioned that she greatly benefited from the business-training sessions where she learned basic accounting and business planning.* She has used the grant money for working capital, as well as investing in a new sowing machine.

When questioned on what could have been done better with the program, she mentioned that she too would have liked to get more technical skill sets in terms of value addition to her current product lines. She also **mentioned that the project helped to foster 'entrepreneurial spirit' as well as 'competitiveness' among the participants.** *And when questioned on what the most useful element of the project was, she stated the process of the project was more important than the funding.*

Ms. Thanuja Kumari started her tailoring business approximately 7 years ago to supplement her household income. She specializes in event dresses. She mentioned that

some of the main advantages of joining the project are that she has started to think 'big'. The speeches given by successful entrepreneurs has encouraged her to achieve more. She also stated like all her peers, that training on both business planning accounts have helped her drive her business. She also mentioned that the project has given her more knowledge and insight in to collective action, and dealing with government officials.

The program also has helped her increase her network, mainly getting to know people from the Tamil community in the area. Her partnership with Jayamalar Devi is credited to the project. Furthermore, **both entrepreneurs have started to cross sell their products to their current customer base**. She has used the grant money in part to buy a new machine, and invest in expanding the storefront, which is located next to her home. The grant money being dispersed to these two individuals directly would have led to promotion of intercommunity cooperation and integration on economic activity between these two parties.

In terms of gaps in the project, she stated that training in supply side and marketing would have helped her. *Ms. Thanuja Kumari stated that she valued the learning of the project as been more important than its funding element.*

3.2. V. Balasarswathy

Ms. Balasarswathy started her soap business in 2015 after returning from Dubai. Initially based out of Colombo she has started her operation by selling her product to friends and family. She has later re-located to Trincomalee as the cost of living was lower and quality of life better. She currently produces 7 products and employs two individuals from the same community on a part-time basis. In the few years, she has expanded her sale by reaching out to local motels and hotels to add to her walk in customers. *Her largest challenge has been the restrictions that were implemented post-COVID and the related sales drop.*

She has got to know of the project through Sarvodaya. **She stated that post been involved in the project her network has expended vastly beyond her own community**. Since she currently lives in a Tamil majority area, it was important for her to build a good relationship with Muslims and Sinhalese in the area. The project has helped her understand accounts, cash flow and come up with a business plan. She has also developed a brand name for her products, after her exposure to the project. When she received the grant money she invested it for working capital and for improving her product line (packaging).

When questioned on what was more important to her, she mentioned that the project activities and process were more important to her than the grant money.

3.3. J.P.Pathmini Jayaweera & A.Jeravajani

Ms. J.P.Pathmini Jayaweera, Ms. A.Jeravajani and Ms. W.P.Ranjani Samarathunga (absent from interviews), are joint applicants for grant. Ms Jayaweera runs a curd store, while Ms. Jaravajani does rice flour and other spices. Both Ms. Jayaweera and Ms. Jeravanjani were interviewed in the same location back to back.

Ms. Jayaweera is an entrepreneur since 1996, after the demise of her husband she has taken over the business and developed it in order to provide for her young family. Mrs. Jayaweera is somewhat unique, as she has had a long history of both social and entrepreneurial advocacy in the area. Thus, in terms of promoting overall social cohesion, intercommunity cooperation and integration on economic activity and widening intercommunity networking and collaboration she has had a lot of exposure through her past experiences. Sarvodaya **may have recruited her to get others involved from her network**. Also, she mentioned that from 2006 to 2010 she has worked previously with Sarvodaya and other organizations.

Ms. Jeravajani too has experience in community-based activism. She has previously worked for a local NGO for 13 years, and started a 'Women's Organization', that has a 90 person strong membership. She stated that the membership comes from all ethnic, and religious backgrounds.

*In terms of their responses on the project itself, one of the keys features they touched on was learning of accounts and business planning. Both participants said, learning of accounts and understanding longer term business planning has helped them transcend. The talks that have been given by successful entrepreneurs have also made them think bigger. **While both participants had large networks (especially compared to their counterparts), they both states that the regular meetings helped with expanding their network further**, and that has opened more economic opportunities. In terms of the grant money, both have spent it on working capital.*

*In terms of feedback, Ms. Jayaweera was the most critical of the project. Stating that some of the 'consultants' who came to work with them, did not impart any real word solutions to the problems they encounter each day. She also stated while, some participants came in order to improve their lively-hoods, some turned up so they could benefit from a 'free' meal and a travel allowance. Both participants would have liked to see more 'technical' training given in their respective areas of business. They also stated that the skill sets of the trainers were not satisfactory and it could have been better. *However, when questioned on what was most important to them. They both stated that the advantages in terms of exposure, and training they got the project was more important than the grant money itself.**

Concluding Remarks & Suggestions

It evident post the survey as well as interviews with participants that the program: INSPIRED, has achieved below mentioned set of outcomes.

- Promote overall social cohesion
- Promote intercommunity cooperation and integration on economic activity

- Widen intercommunity networking and collaboration
- Enhance profitability and livelihoods

It will be difficult to exactly attribute the success in the program for any activity or the grants in particular. The survey results while not conclusive support that there high degree of social cohesion and intercommunity collaboration between the participants. The interviews support the idea that through educating the group on basic accounting and business planning their economic profitability has increased.

In terms of the grants themselves playing a major role in archiving the above set outcomes the evidence is less clear. The primary reason is the fact the participants for 24 months during the program tenure was essentially 'blind' to the grant funds coming in, thus the impact cannot readily be assessed.

The impact of the grants itself cannot be under-estimated. From all the participants of the survey results only 1 business had gross revenues exceeding the grant sum of LKR 200,000. Which meant the grant money is a significant cash-inflow to the business. We also know from the interviews, as well as the surveys, a significant percentage of grant money was used for capital expenditure. Which would lead to better economic outcomes in future. In a complementary study by Foundations for Social Change in partnership with the University of British Columbia in Canada, CAN \$ 7500 was disbursed to recently homeless people with no strings attached. The result was that people who received cash transfers moved into stable housing faster and saved enough money to maintain financial security over the year of follow-up². Thus, the longer-term positive impact for the recipients in terms of improved profitability and livelihoods could not be under-stated.

If the grants are to have a more direct impact on the stated goal orientation, 2 changes to the program are advised.

- Early on in the program state that there is a grant component. While this may motivate participants to be 'active' for the sole purpose of receiving some grant money, this in fact could be used as a positive trigger in terms of reaching the above stated goals.
- To disburse the grant funding to group applicants, as opposed to sole applicants from different ethnic/religious groups. During the interviews, there were 2 such clear instances where participants have better economic social integration due to receiving the grant funds as a collective.

As stated above, based on the survey as well as the interviews the project-INSPIRED altogether has led to significant outcomes in terms of reaching the above objectives.

² A Canadian study gave \$7,500 to homeless people. Here's how they spent it.
<https://www.vox.com/future-perfect/21528569/homeless-poverty-cash-transfer-canada-new-leaf-project>