

*Allawatta Primary Society – the story of a
SANASA Village*

Development 'step-by-step'



August 2005



B. L. Edmund, W. A. Somawathie – Early arrivals to the village

We have been members of SANASA for 15 years.

When we first came to this village there was nothing. It was just a corner of a plantation, not a village at all. We had nowhere else to go – we did not have a house or any land, so we just settled here. We heard that some people here were organising themselves, so we decided that we wanted to join them. We were one of the first families to arrive.

There were no houses, no roads, nothing. The land was just scrub forest – not grown up like you see it now. Everyone else was like us. None of us had land or houses. We came from all over – we were not really a community – just people who came together to take land here. At first we built leaf and mud huts. There was no water, or electricity.

We started having meetings, and decided that we wanted to create a ‘SANASA village’. At the first meetings we talked about how we could build houses. We decided we should work together to build houses.

When we arrived we could not grow anything on the land. It was not good for growing. The SANASA society showed us how to build bunds and drains, to protect the soil. After a while we were able to grow some trees and crops. The SANASA society gave us seedlings for pepper, cloves, fruit trees. We started growing these and took them to market. This gave us some income. We had not had a regular income before then. None of the people here had.

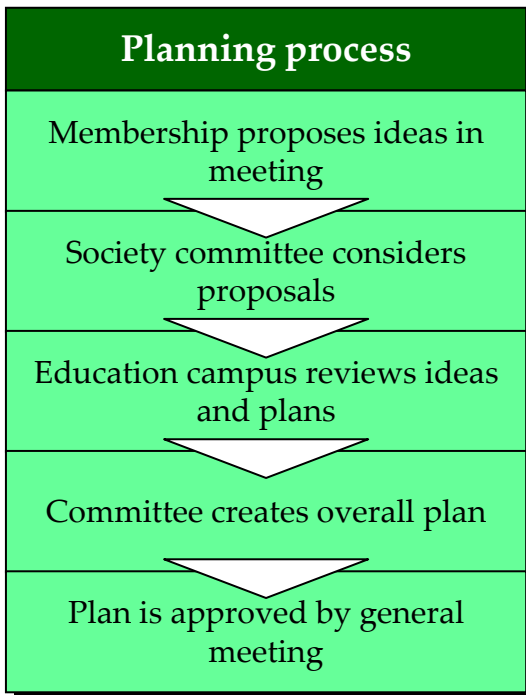
Later, we talked about how we could expand the village. There really was not enough land for us. We knew we could not afford to buy more land on our own, so we bought it through the Primary Society.

SANASA has made this village what it is. Look at it now. We all have houses. We have a road, electricity. Many of us have small businesses. This would not be possible without SANASA. My son has started doing transport business. He is doing OK.

We have more plans. We want to keep building our future, step-by-step. We need support and ideas. Then we can give our labour. We will need more loans as well. SANASA can help us with ideas and with loans.



Garden – with soil protection bund at the bottom



There are meetings for all members once a month. The meeting discusses how the village should be developed and sorts out problems in the village

Mr Abesinghe. SANASA Training Campus Staff Member

I know this society well. I come here every 6 months or so to help them with their development plans. I can tell you more about the society’s history.

The village was started in the 1970s. It was a ‘colony’, which means that it was an encroachment into a plantation. Colonies often have bad reputations – with plenty of drinking, crime. This colony was no exception. At first, the village’s only real income was from the production of illegal alcohol. The village had lots of social problems.

The society started in 1979. It grew slowly. First meetings showed the people how to protect the soil in their gardens to grow cash-crops for the local market. It also allowed people to save and so invest. At first, people used their savings to buy tools for the gardens.

In time, the society started to provide loans, at 10 times the amount deposited. These were used to build homes. As other people in the village saw that SANASA helped people to build houses, more started to join.

The Primary Society has made a big difference to the infrastructure in the village. At first there was no road, electricity. The society cleared a track for the road, then lobbied the Provincial Council so they laid the road with tar. They also arranged the electricity.

The Primary Society has also helped with marketing. The SANIPA office in Kegalle helps the society sell the products grown locally for a fair price – like pepper, coconut, cardamom.

The society first built a meeting hall out of wood and leaves. In 1989 the society building was destroyed – perhaps by the local landlords who did not like it when the villagers became organised. But the society was not overcome. At the next meeting it decided to build a permanent hall. This is still used. It has a library, runs adult education courses. This is also where the monthly meetings for all members take place.

SANASA bi-laws state that every society has to have a meeting once a month for all members. The meetings discuss how the village should be developed and sorts out problems in the village. This society also has special committees for women where their issues can be discussed and presented to the whole society. Anyone can talk in the meetings – they are open to all members.

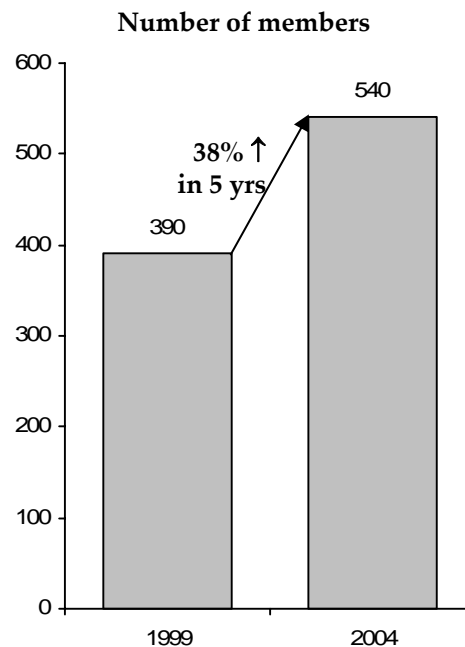
The society also has built a separate building for banking. This was only completed recently.

The society creates a three year local development plan. This defines the overall direction for the development of the whole village. The Education Campus helps to define this plan. We also come back to the society every few months to monitor the progress against the plan. All the society is involved in creating the plan – so it reflects the overall objectives of the village.

Before	Now
• Land-less	• All villagers own plots of land
• Temporary mud/leaf housing	• Permanent, brick housing
• Wage labour	• Cash crops, micro-enterprises
• Remote, cut-off from markets	• Road, transport, electricity
• No community structure	• Solidarity, regular meeting
• No environment protection	• Environmental programs
• Frequent social problems	• Guidance on social issues

After 15 years, the society decided that the village did not have enough land. A second generation was growing up and wanted housing – but there was no space. It was not possible to just move onto land anymore. So the village invited the local land-owner to a meeting. The land-lord offered to sell it to the society, but he did not want to sell it piece by piece. If he could sell a larger plot at once, he could offer it at a good price.

No one in the village was able to buy a large plot of land at once. The Society also was not able to afford the land. So the society applied to the SANASA Development Bank for a loan. This allowed the society to buy the land.



*SANASA Buildings:
Banking hall
(foreground) and
main meeting hall
(background)*



**Danaka Nisantha (son of B. L. Edmund, W. A. Somawathie)
Small Business Man**

I have been a member for 14 years.

My father and mother were members so I also became a member. I wanted to become a member as SANASA is a good development organisation, especially for rural areas.

I have a transport business. I took a loan from SANASA in 1999. It was a five year loan and I have now paid it back. I bought a hand-tractor. I use it to take products from the village to the local market to sell. Things like coconut, plantains, jack-fruit. All of these products are grown by SANASA members, so I rely upon SANASA in two ways. If it were not for SANASA no one would grow crops.

SANASA also gave me training. I was trained in Business Administration at the Campus, which helped me to start-up my business. Most of the people in the village have been to the Training Campus. No trainers have come to the village yet – but I think that will happen later. After this, I wanted to continue my studies. I am now going to university to study sociology and business administration.

SANASA is a development society for rural areas. It develops the whole society – it does not only do banking services. SANASA helps people build houses, develop their gardens, shows them how to start businesses. SANASA supports all areas of the community.

For example, the SANASA society has a 'Green Project'. It helps the local environment. It plants local plants and trees around the village. It protected a waterfall in the local stream.

If there was no SANASA it would be very bad for the village. There would be a bad economy, little development.

SANASA is a development society for rural areas. It develops the whole society – it is not only banking



Outside Primary Society. From Left: Danaka Nisantha, Mr Adesinghe, Srima Adikiri K. R. Nadeeshani Krishanthi Gunathilale

K. R. Nadeeshani Krishanthi Gunathilale – Clerk in Primary Society Branch

I have been a clerk in the branch for only 5 months. I have been a member since I was 18. I am now 22.

I used to work in an insurance company. I did an accounting course. I wanted to work for SANASA, as it is an important society in the village. All of the village are members and the society has made the village have social and economic development.

I want to work for SANASA for a long-time as I think the movement is very important for my village.

Staff in Primary Society

- Manager
- Assistant Manager
- Clerks (x2)
- Insurance Manager
- Field Officer

Srima Adikiri – Clerk in Primary Society Branch

I have worked for SANASA for one year. I have been a member for two years. I live in the village – all the people who work here come from the village. We are all members.

I used to work as a Stores Assistant in a private firm. I wanted to work for SANASA as it is a good society for this area. It develops poor people's economic situation. I want to work here for a long time as I can see that the society has helped make rapid progress in this community. It is a satisfying place to work.



*Mr Bandara,
Chairman of
Allawatta Primary
Society (left) and Mr
Manoj, Manager of
SANASA
Development Branch,
Warakopola, with a
plaque give to the
Branch to
commemorate the
loan for the land
purchase*

Mr Bandara – Society Chairman

The Primary Society has made a good impact on the village – but it has not been easy. Everything has to be step-by-step, step-by-step.

We started with just 11 members, in 1979. We had heard about SANASA from the villages where we came from – and the local government official also told us about the idea. So we tried to build it up. The village was not good then. There was corruption, drinking, gambling. It was hard to get people organised.

Slowly slowly we built support. In 1982 we elected a new board of directors. They helped. We also employed a branch manager / treasurer then. And we built a new branch. All the time we were developing the society.

We made a major step in 1985. This year we developed our first development plan for the area. This forced us to consider all the issues in the area – made us think about what SANASA can do for the whole village. Once we started doing these things it became easier to attract members.

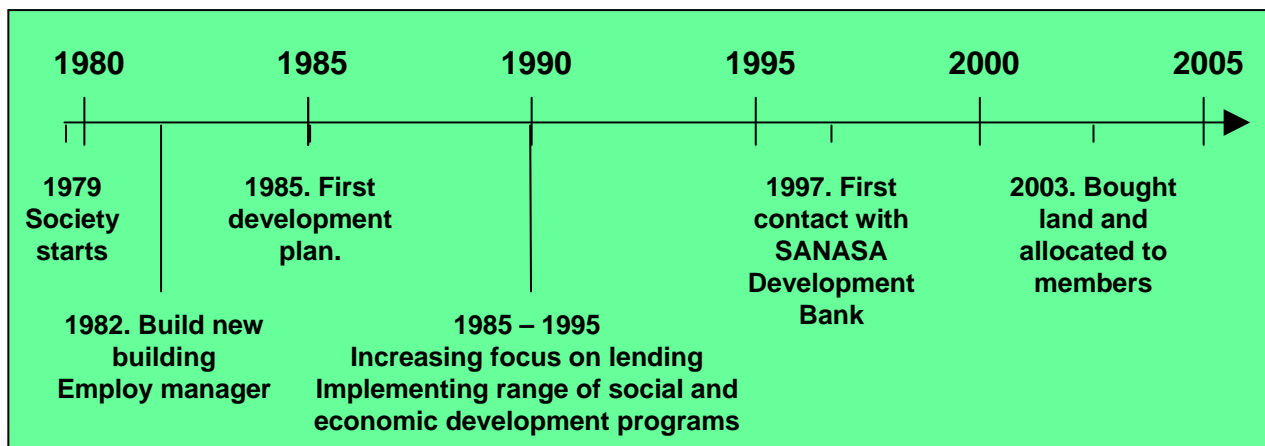
At first our vision was to increase deposits. We needed to do this to build security in the society – it is not worth lending straight away as it is difficult to get people to repay, and you do not have anything to lend. In any case, we needed somewhere to put our savings.

Later, we started to develop credit management skills. As we knew the members, this was easy. We have always had good repayment levels.

The development plan also allowed us to think of other things we could do. We started a number of programs. We did soil conservation programs, housing development programs, cultivation programs, and so on. We started a woman and children's committee. And recently we did the land development program.

Contents of Annual Development Plan

1. SANASA Society Vision and Mission
2. Information on Area of SANASA Society
3. Information of SANASA Society Members
4. Development Plan
5. Quarterly Action Plan
6. Plan Implementation Committee
7. Budget Estimates



One problem we have had all the way through is to get people to work together. People came from all over to create the Allawatta society. They had no community – we had to build it up. It has taken 20 years of hard work. We have had many problems of team-work. We had to keep on adjusting our model, trying to get people to work together. And we had to be strict and strong. We had to be firm to maintain credit discipline. We had to tell members when they were not behaving right. We had to educate them on what it meant to be a cooperative member. All in all, we had to change the attitude of the people in the village.

Now, most of the village are members of the society. There are about 400 families in the village now. And there are about 350 active members of the society – 500+ total members. About 60% of these are women. So there are only a few families which are not members. And our members are loyal. They do not go to other banks – they trust us and they know that SANASA is concerned to develop them.

And now we all work together well. Most of the village is Sinhala, but we have Muslims and a few Tamils also. We are all members – and there are no problems. SANASA could have the same impact in other societies – where people come together from different groups. SANASA has brought us together.



Mr Somasiri, Carpenter

I have been a member for 10 years.

I work in the village on any carpentry work. I am working on my house at the moment. It was built by my parents – we live here too now. Perhaps we will move into our own place soon.

We started building in 1985. We used a loan from SANASA – my parents had been members for many years before. Before we got the loan we lived on the same plot of land – but the house was just mud and leaves. We have now paid back the whole loan. We could now take out a loan for housing improvement – but we want to try to pay ourselves.

The boy is not yet old enough to go to school. But soon he will go to the Montessori school in the village. I know that some SANASA societies run primary schools – but not here. We already have a school.



Janaka Kumara – Shop Keeper

I have been a member of the SANASA Primary Society for 10 years.

I used a loan from SANASA to build this shop. It is the only shop in this area. We sell to the whole village. Before I started the shop I was a wage labourer.

I started with a Rs50,000 loan. I could not have got a loan from anywhere else, I do not have access to any other banks. There are some money-lenders, but they have higher interest rates and they are not convenient. Money lenders need deeds, and you have to make lots of promises. With SANASA, as they knew me, I just needed two other members to sign a pledge that I was trust-worthy and would guarantee the loan. Then I could get the loan. I also took a small loan for working capital.

I also use the Primary Society for my deposits. I have no access to any other banks. They are all in town, I want to use a bank that is here. I do not use SANASA's marketing organisation yet. Perhaps one day.

I have no access to any other banks. They are all in town, I cannot use them.





All our work is from people who are members of SANASA. There is no other work for a mason in this village. They get loans for 3 or 5 years to pay for houses. The SANASA society is the only way people can afford to build.

Christophe de Silva – Sock-maker

I have been a member of the SANASA Primary Society for 8 years.

SANASA has helped me in so many different ways. When I came to this village I had a bad history. I had left school at 6th grade and had a hard life due to family problems. I was from a fishing community on the south coast. I had only worked on informal jobs. I had no training, no property. I arrived in 1980. My partner is from this community, and I saw that the community was organised, so I decided to stay. We do not have any children yet – perhaps later.

SANASA has given me loans that allowed me start my business. I started with a loan of just Rs5,000 in 1996. This gave me enough to buy my sewing machine and materials. Since then I have been working hard. I have built this house, I have built a road up to my house – that alone cost Rs.150,000. All this was paid through SANASA loans.

SANASA has helped to develop this village. It allows people to start small businesses by giving small loans. It is not difficult to get a loan, and then SANASA can help when you need it. When you have a problem, you can raise it at a meeting or talk to one of the SANASA leaders. They come to your house to talk it through with you.

And the meetings give us ideas on other things. It shows us how to develop our lives, how to spend our money. It shows us that it is better to save and protect your self, rather than spend all of our money at once. As well as taking out loans, I also have a life insurance from ALMAO.

SANASA is good as even the very poor in the village can go there. No one is refused and anyone can speak. I helps us all work together to develop the village. The society works to develop the whole situation of the village, not only the people's income.



Project to expand the village - told by Danaka Nisantha

The village does not have enough land. There are more people coming to the village – and the second generation are coming up. They also want somewhere to live.

The Society understood the need to have more land for the village. It discussed with the local land-owner and agreed to buy a plot. But as it was too expensive the society needed money to buy it.

So the Society went to the SANASA Development Bank. This is a bank in Warakopola, the nearby town. It lends to the SANASA societies. The SANASA Development Bank gave the Primary Society a loan. We used this loan to buy the land. The Primary Society also marked out plots on the new land and allocated these plots to people who wanted them. Anyone could get a plot – but if they were new to the village they had to join the Primary Society.

The people who are allocated the plots pay back to the Primary Society and slowly buy their land. Once they have bought the land, they are able to take another loan to build a house. Most people re-pay the loans from their daily work, but you can also get some money from the coconuts that are growing on the land. It helps.

We are going to build a model village on this land. It is a bit different from the village – it is more planned. We have designed a local community centre, a place for SANASA meetings. SEDCO, the SANASA engineering department, is helping us.

This project is going well. We plan to buy more land in the future – once we have paid off all of this loan.

**For more information, contact
Samadanie Kiriwadeniya,
International Department,
SANASA Development Bank, Ltd.
340 2/1 R A De Mel Mw, Colombo 3
e:mail: sdbinternational@sltnet.lk
Web: www.sdb.lk
Phone: 94 11 2375088
Fax: 94 11 2375085**



House being constructed in new settlement – using a SANASA primary society housing loan

Description of loan – told by Mr Manoj – Manager of SANASA Development Bank, Warakopola

We were very happy to extend a loan to the Allawatta Primary Society so they could buy the land to expand the village. They took out a Rs.12.5m loan to buy the land. Now they have paid back Rs.7.5m.

Primary Societies are our major customers. Allawatta is a very successful society. Its members are very loyal and believe in the society. This insures that it makes repayment.

Also, as the society works to develop the knowledge, attitude and technology of their members, members are trustworthy. This makes them able to repay loans.

We are able to provide a number of different types of loan to the primary societies. For example, if one member needs a loan that is larger than the society can handle, we can provide a loan. We can lend directly to the society. We can lend for special programs, for example to develop livelihoods of the local people.