

## Case Study

### Sri Lanka: Strengthening skills and labour market integration of families

“Now I feel stronger and I devote my time to the welfare of my family. When my children attend extra classes at the SOS centre in the afternoon, I am fully assured that they are 100% safe. I am selling dresses and the profits are deposited as savings for my daughter. I am now reconstructing our house to make it habitable<sup>142</sup>.” (Single mother and SOS Children's Villages Programme participant from Sri Lanka)

This case study shows how targeted financial support prevented the emigration of Sri Lankan caregivers and helped them become self-reliant.

Since the end of **Sri Lanka's** three decade-long civil war, the government has committed its support to reconstruction, poverty reduction and the development of small enterprises. Nevertheless, **one in seven Sri Lankans live below the poverty line** and it is estimated that one in five of all jobs held by Sri Lankans are abroad<sup>143</sup>.

Since 2003, programmes in Pilyandala and Monaragala have supported around 267 families at risk of being separated or unable to provide for their children. **More than two thirds** of the supported families **do not have enough money to meet their daily needs**; many are day labourers working in precarious conditions<sup>144</sup>.

The programme offers **temporary economic support** to reduce the need for caregivers to leave their children in search of work in the cities and abroad. **Free nutrition, health and education services** are provided including lunches, stationery, **bags and shoes for school children, extra classes for university entrance examinations**, and free medical check-ups and medical aid in special cases. This subsidized economic support is offered for a defined period of time until the **families become financially self-reliant**, typically between three and seven years.

Primarily, **economic support is given in the form of micro-credit**. After an assessment of the caregivers' situation, a basic loan of up to Sri Lankan Rupees 20,000 (~€ 140) is given at an interest rate of 2% per month. A loan plan is set up which states how the money will be invested and how the loan will be repaid. The loans are used by caregivers to start or expand businesses and improve their living conditions. To date the CBO has loaned a total of Sri Lankan Rupees 605,000 (~€ 4,000) to 81 members, 46 of which have already paid back the full amount. The CBO uses the interest earned to finance other activities that strengthen the community, such as **running a grocery shop** where supported families **sell their products** and can also purchase items. The CBO in Gandara has become a strong organisation with a **stable financial position**, which indicates that the **caregivers are progressively taking ownership of the programme**.



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Families have been strengthened in Monaragala, Sri Lanka.

*The impact of economic assistance on the supported families is visible through their **increased self-reliance**, as they have proportionally higher savings, higher disposable income and depend less on commercial banks for loans. **Labour migration** for economic reasons **has gone down**. 97% of children have balanced nutrition and are supported by informal education, 80% access health services, and **basic school enrolment has improved to 99%** <sup>145</sup>. The programmes also created positive attitudes towards **childcare among caregivers**, reduced their levels of stress and **improved their mental stability** and confidence, thus strongly improving family relations.*