



## BUDDHIST:

### SARVODAYA DEVELOPMENT FINANCE, SRI LANKA

The Sarvodaya Development Finance is a finance company specialising in microfinance to rural communities in Sri Lanka. It is the only such institution in Sri Lanka whose majority shares (80%) are held by a charitable institution – the Sarvodaya Shramadana Movement of Sri Lanka. The total asset base is Rs4.8 billion/US\$32 million. (Loan portfolio Rs3.8 billion, Capital Rs1 billion).

The Sarvodaya Shramadana Movement of Sri Lanka in 1958 had a vision to create a “Society with no poverty and no affluence.” It introduced a universal philosophy based on the Buddhist principle of the Middle Path, very much in line with today’s concept of sustainable development. It tapped into the social capital of the day and guided communities towards sustainable development through models of self-help, advocating for consciousness, economic and power determinants of development and demanding that the benefits of development are equitable for everyone. Among many other initiatives which prioritise conflict resolution, environment and poverty alleviation, it started the Sarvodaya Institute of Higher Learning (introducing appropriate new technologies in agriculture and small/medium industries), initiated mother support groups in conflict-affected and nutritionally-lagging regions, preserves indigenous seeds and runs the Sarvodaya Women’s Movement

It supports initiatives that improve the efficiency of firewood usage, provide vocational training to entrepreneurs, promote eco-tourism etc.

## Current guiding principles of investment

### 1. *Negative screening*

No financial services (loans, deposits, enterprise guidance or advice) are provided to:

- Alcohol, tobacco & gambling related enterprises/projects
- Any enterprise, project or industry that will have harmful environmental or social impact (i.e. creating ethnic or religious disharmony, employing child labour)

### 2. *Investments to be encouraged.*

These include encouraging home-based industry, organic agriculture, food processing etc. All loan/service applications are initially vetted by trained finance officers at branch level in the districts and are thereafter approved by the Manager or, in the case of larger loans, by the Head Office Credit Manager/CEO or the Board. At all these stages it is checked that the policy is adhered to.

### 3. *Remembering the Sigalovada Sutta*

Sigala was a boy living in northern India during the time of the Buddha. His parents were devout, but he was only interested in material prosperity and told his parents he would have nothing to do with monks. As his dying wish, his father asked him to worship “the six quarters” (east, south, west, north, nadir and zenith) every morning after his morning bath, hoping that one day the Buddha would come across him and teach him something important. One day, as the father had hoped, the Buddha came across Sigala, and gave him a special teaching – which is the only one specifically directed to a layperson rather than a monk.

It includes advice that might be appropriate to many young people in any century - about choosing your companions carefully, not getting drunk, not sauntering around late at night or being lazy. But it also includes guidance about what to do with your money.

In terms of finances the Buddha guided the young Sigala to avoid gambling which, he pointed out, leads to the winner attracting hatred and the loser not only losing money grieving what he has lost.

Buddhists should guard the heedless and protect the wealth of the heedless. They should not rejoice in the misfortune of others, and should rejoice in the prosperity of others. They should give good counsel.

“The wise and virtuous shine like a blazing fire. He who acquires his wealth in harmless ways like to a bee that honey gathers, riches mount up for him like an ant hill's rapid growth.”

In addition, the Buddha recommended every householder to divide his or her wealth in four ways. One part for their own wants, two parts for investment, and the last part for times of need.

The person “who is wise and virtuous, gentle and keen-witted, humble and amenable, such a person may attain honour. Who is energetic and not lazy, unshaken in misfortune, flawless in manner and intelligent, such a person may attain honour. Who is hospitable, and friendly, liberal and unselfish, a guide, an instructor, a leader, such a person may attain honour. Generosity, sweet speech, helpfulness to others, impartiality to all... These four winning ways make the world go round.”