

IN UNEQUAL DIALOGUE WITH DONORS: THE EXPERIENCE OF THE SARVODAYA SHRAMADANA MOVEMENT¹

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1 INTRODUCTION

In 1995 the Sarvodaya Shramadana Movement completes 37 years of continuous evolution as a force that contributes to progressive non-violent social transformation in Sri Lanka. The Movement has survived eight governmental changes, two bloody youth insurrections (which were countered by equally horrendous suppressive actions) and a civil war that has been going on for over 12 years. Furthermore, the Movement was singled out between 1989 and 1993 by the late President Premadasa for an unprecedented attack on all fronts. The Movement had only just commenced rehabilitating itself in mid 1993 when an unexpected development took place from the side of Sarvodaya's main donor organization, NOVIB of the Netherlands. With little warning they cut 42 per cent from their planned grant for 1994–95 and plunged Sarvodaya into a financial crisis. This crisis has prompted Sarvodaya to re-think its relationship with donors. This paper is about possible future directions open to Sarvodaya. Sarvodaya has been repeatedly subjected to donor evaluations: in this paper we evaluate our relationship with our donors.

2 THE SARVODAYA MISSION

'Sarvodaya Shramadana' means the awakening of all in society. This is sought to be achieved through the sharing of labour and other voluntarily gifted resources for the personal and social awakening of all beings. In very concise terms, the mission of Sarvodaya Shramadana is to create a new social order based on the values of truth, non-violence and self-denial, and governed by the ideals of a participatory democracy. The decentralization of power and resources, upholding of basic human rights, satisfaction of basic human needs, protection and nurturance of a healthy environment, and tolerance of cultural, religious, and linguistic differences should be given pride of place in such an order. The economic principle would be one of a sustainable (no-poverty, no-affluence) society based on the

¹ This paper is based on the Sarvodaya publication, *Future Directions of Sarvodaya* (1994). Colombo: Vishwa Lekha.

sharing of resources and their prudent use. For Sarvodaya Shramadana, development is the process of awakening individuals, families, rural communities, urban groups, the nation and the world at large. This awakening has six major dimensions: spiritual, moral, cultural, social, economic and political. There should be balanced progress along all these dimensions although, at a particular point of time, one or more of the dimensions may receive greater emphasis.

3 SARVODAYA'S PROCESSES AND PROGRAMMES

The Sarvodaya Shramadana Movement has developed a large number of processes to achieve these ideals. These processes begin at the individual level, move on to families and communities, and eventually to national and world levels. The ultimate objective is to unfold the new social order envisaged above. The unfolding processes have developed into concrete programmes, e.g. the Early Childhood Development Programme, the Rural Technical Services Programme, and the Economic Enterprises Development Programme. These programmes need an institutional framework, expertise, physical inputs, human response² development, evaluation and constant upgrading. They cannot be achieved without appropriate organizational structures which need to function in the broader existing legal framework of society.

Sarvodaya Shramadana's greatest input for national development comes from the people in village communities. The Movement started with one village in which volunteers from outside the village worked to evoke self-reliance, built community participation and demonstrated how planned action could satisfy basic human needs. This process, based on Shramadana (gift of labour) Camps, spread from village to village. People contributed at weekends and vacations for years until the Movement covered several thousand villages spread over all the districts of the country. The Sarvodaya Shramadana Movement got recognition as a constructive, non-violent, community service cutting across human-made barriers such as caste, race, language, religion and political affiliation. It became a national people's movement for self-development harnessing the creative energy of community participation.

The first phase of this process released in village communities is the awakening of the inherent strength, potential and resourcefulness of the people (*Jana Shakthi*) for their own self-development. This is followed by training in skills and leadership and the institutionalization of different groups such as children, youth, mothers, farmers and craftsmen. Creating legally independent village level societies, representative of all these groups is the next step. This kind of democratic participation and organization enables them to be innovative and adaptive to new technologies while upholding value systems, nurturing progressive traditional norms and freeing themselves from psychological dependencies from outside.

Over 2,000 villages (out of a total of over 8,000 villages which have had Shramadana experience) have registered societies and democratically elected office-bearers. They hold full responsibility for their self-development programmes. The

² The word 'resource' (commonly used in HRD) has been replaced by the word 'response' because we believe that people are not resources to be used, but ends in themselves.

rest of the Sarvodaya villages are on their way to such registration. Sarvodaya believes that democracy cannot be imposed from above, but that it should be nurtured to evolve from below. It is Sarvodaya's firm and proven belief that the total fulfilment of a human being within a family (which itself is a cohesive part of a larger community) can be achieved by this kind of a participatory approach. What Sarvodaya has striven to do is to convert this belief into a practical working model by progressively introducing appropriate and innovative technologies and structures.

At present Sarvodaya's organizational structure consists of autonomous village societies, clusters of villages (Gramadana Units) and coordinating units at the divisional, district and national levels. This is the result of an evolutionary process rather than a grand design from the top. With the Sarvodaya ideal being communities enjoying a high degree of self-reliance, decentralization and autonomy, emphasis was never placed on control, monitoring and reporting mechanisms. These would have given power to the leadership of the Movement and its headquarters. Unfortunately, it was to be the practice of this decentralized ideal, so important from our point of view, that brought forth the most severe criticisms and penal sanctions from some of our foreign donor agencies.

4 DONOR SUPPORT OF SARVODAYA'S ACTIVITIES

In the late 1960s the leaders of Sarvodaya Shramadana were invited to share its peoples' participatory experiences with international organizations like the FAO, UNESCO, UNICEF, WHO and also voluntary development organization like NOVIB in the Netherlands, OXFAM (UK) and FNS in Germany. These organizations offered Sarvodaya assistance for its members' projects. Thus started an era of project assistance which took concrete form from 1972 onwards through negotiations with the national structure. These development partners did not conduct their evaluations in the central office of Sarvodaya or in its district centres but went to the remotest villages in the country to see and assess for themselves what Sarvodaya had achieved with the full participation of people.

NOVIB, the Netherlands Organization for International Development Cooperation, became Sarvodaya's main development partner. In 1969, 1970 and 1971 Mr Van Vlijmen, NOVIB's Secretary-General, invited Mr A. T. Ariyaratne, the founder of Sarvodaya Shramadana, several times to the Netherlands. This was to assist in NOVIB's campaigns for funds and to inform the Dutch public about Sri Lanka's development needs. This was a period during which Sarvodaya helped NOVIB rather than vice versa. NOVIB staff visited Sarvodaya projects every year: they studied, learnt and assisted in the work.

The second regular development partner was the Friedrich Naumann Stiftung (FNS) of Germany. They financed Shramadana Camps, the construction of Sarvodaya headquarters and the Pathakada Community Leadership Training Institute. Helvetas of Switzerland was, and still is, another strong partner of Sarvodaya. The relationship between Helvetas and Sarvodaya going back to 1978 has always been exemplary. Budgets were presented and agreements reached well ahead of time while Helvetas engineers provided much assistance to the movement, especially in the development of the Rural Technical Services Programme.

There were many other organizations that provided project assistance. Some of

these were 11-11-11 Campaign (Belgium), OXFAM (UK), OXFAM (USA), Ford Foundation, Risso Koseikai (Japan), UNICEF, Manitesse (Italy), IDRC (Canada), CIDA, NORAD, American World Jewish Service, Alton Jones Foundation and ITDG (UK), among others. During this period of cooperation through projects, Sarvodaya was able to disseminate its ideology amongst rural people, educate people for self-development and employment, build structures and institutions from the village level up, and even organize many national and international workshops, seminars and conferences on themes related to participatory development.

Dr Sjeff Theunis succeeded Mr G. J. Van Vlijmen as Secretary General of NOVIB. He made an extensive and intensive tour of Sarvodaya activities in villages and recognized their relevance to Sri Lanka and the developing world in eradicating poverty, powerlessness and conflicts from among the poorest segments of the community. His yearly visits did not begin and end with 'rapid appraisals' of our central office or district centres, as became the case in later years with others. He always visited and studied village projects throughout the country. He decided that Sarvodaya was mature enough to make a corporate plan of its own and to receive programme assistance. Together Sarvodaya and NOVIB worked out an extensive six year programme of development cooperation.

In 1977 a Commission of Dialogue, consisting of scholars selected by both NOVIB and Sarvodaya, was set up to jointly develop, monitor and evaluate Sarvodaya programmes. Both partners learned from this Commission. It was a cooperative relationship, and not one of a donor and recipient. Both NOVIB and Sarvodaya shared and developed their philosophy together. They empowered each other in the understanding of people's participatory development activities. There were tense periods, such as the time of communal riots in 1983, but the organizations could always iron out differences and misunderstandings. Mutual respect, freedom to make decisions and easy access to each other were the salient features of this relationship with NOVIB. Sarvodaya consolidated its position as a kind of model participatory development organization. NOVIB played a major financial role in helping Sarvodaya become what it is today.

NOVIB was followed by the International NGO Division of the Canadian International Development Agency (CIDA) whose head spent many days in remote villages and grasped our bottom-up approach. Subsequently, CIDA became a regular partner of Sarvodaya for project assistance. Later on Helvetas of Switzerland and NORAD of Norway became regular partners contributing project assistance. There were others like IDRC (Canada), USAID etc, who cooperated with smaller project assistance. With programme assistance from NOVIB and project support from other donors, Sarvodaya was able to proceed up to 1985 on its own lines of evolution towards an alternative development strategy.

5 THE DONOR CONSORTIUM

With good intentions and high expectations, the idea of a donor consortium was mooted in 1985 by a CIDA consultant. The possibility of long-term planning, a committed three year budget, better remuneration for workers and improvement of their skills and a single comprehensive monitoring, evaluation and reporting

system for all donors were good reasons for Sarvodaya to agree to the idea of a consortium. The main partner, NOVIB, was happy, as they could share the responsibility of financing Sarvodaya jointly with other donors. Furthermore, Sarvodaya agreed to form a consortium as the organization was at a point in time where it wished to rapidly expand its proven activities.

The first consortium meeting held in 1986 was attended by 26 partner organizations of Sarvodaya and included ambassadors and high commissioners. There was great enthusiasm and commitment on the part of everybody. Sarvodaya was given the freedom to select a general chairperson for the meeting and a chief guest for the opening ceremony. The whole exercise was conducted in the open, with transparency on the part of everybody. Different sessions were conducted by different chairpersons with complete freedom for Sarvodaya and donors to express their views and opinions. At this meeting Sarvodaya presented its first comprehensive plan and budget for an 18 month period beginning from 1 October 1986 to 31 March 1988. A 'loose' consortium was arranged with four donor agencies NOVIB, CIDA, NORAD and ITDG jointly funding the bulk of the Sarvodaya budget. Helvetas continued to support the Rural Technical Services while other donors supported specific ongoing or new 'projects'. This flexibility was particularly useful in the case of SEEDS (Sarvodaya Economic Enterprises Development Services) which grew more quickly than had been anticipated when the plan was formulated. In 1988 a three-year plan on the same lines was formulated. This would have ended in March 1991. However, in 1990, the consortium changed its mind. They decided to have another interim period and requested Sarvodaya to develop yet another Strategic Plan from 1992 to 1995 (as against 1991 to 1994).

As described at the beginning of this paper, Sarvodaya always had strategic plans, operational plans and budget of its own. Sarvodaya had neither experts nor consultants. Many people from the village level, divisional level, district level and national headquarters were involved in planning and implementation. They worked in the Sinhala and Tamil languages and articulated their thoughts according to their own indigenous value systems. Unfortunately, the foreign experts and foreign-trained Sri Lankan experts who became involved in planning and monitoring activities, often found communication with Sarvodaya staff difficult, particularly because of language.

In common with organizations everywhere, there were wastages, misappropriations and malpractices in Sarvodaya. The amounts involved however were small and the defaulting individuals few. While internal and external audit systems were in place and were progressively being streamlined and strengthened as a bottom-up process, the consortium insisted on imposing many complex financial and administrative control systems on the Sarvodaya administration from the top down. They insisted on the production of a corporate plan in the way they saw it. Unfortunately Sarvodaya was not in a position to resist such pressures as this occurred during the worst period of the politically motivated attack against it by President Premadasa. Sarvodaya had no choice but to accede to the demands of the donor consortium before the 1992-95 strategic plan was accepted by them. These impositions and top-down controls by the consortium began to create doubt in the minds of the Sarvodaya leadership. There was hardly any dialogue at the consortium meetings that followed as donor representatives gave every indication of being mere executors of decisions already taken at their headquarters.

After the consortium was formed, instead of reducing the workload of Sarvodaya headquarters' staff (regarding donor demands), it increased this workload to unbelievable proportions. Hordes of evaluators, monitors, experts and consultants had a field day in Sarvodaya most of the year. Some of them were strangers to people's participatory development movements and the ideals that underpin them. Still, Sarvodaya tolerated all this, as the trust factor and long association, particularly with NOVIB, were important considerations. With the severe increase in donor demands from one consortium meeting to another we, in Sarvodaya, were wondering whether the entire consortium idea was in the best interest of Sarvodaya.

There were doubts on the 'Northern' side too. The former head of NOVIB, Dr Sjef Theunis, wrote in 1991:

'My former organization, NOVIB, has never fully understood this initiative. The programmed analyses crushed the people's creativity-structures, the visions. We were ahead of our times. History will be the judge. The chasm between North and South proved to be larger than we had thought possible. In these difficult, even absurd times today, I hope that my brother Ari will obtain his strength from the warmth of tens of thousands of Sarvodaya workers, who have the right to survive. . . .'

Despite Dr Theunis's plea, the donor attitude became more bureaucratic and rigid. The Project Director of NOVIB on a visit to Sarvodaya in August 1993, responded to our appeals only by making a firm statement that 'We are not interested in philosophy. For NOVIB development is a business. There is nothing idealistic about it. Sarvodaya should conform to a businesslike relationship with NOVIB'. This language was completely new to us. We were making a serious effort to build up efficiency in all departments of our work while not losing sight of our ideals and objectives. Sarvodaya's attempts to open a dialogue with NOVIB were scorned. Decisions were taken in the Hague and simply conveyed to Sarvodaya. We were treated as a sub-contractor, not a partner.

The natural expansion of the Movement from village to village was interrupted. The evolutionary process strengthening the organizations at village level and upwards and incorporating them as legally independent entities capable of planning and sustaining themselves was severely affected. While bottom-up processes were working in one direction, top-down systems were imposed by numerous recommendations from monitors. Evaluators, consultants and donors literally took over the policy and decision-making functions trying to convert the Sarvodaya Movement into a mere delivery mechanism. The search for an alternative path to sustainable development Sarvodaya was following was hardly understood by them. The principles of decentralization, people's participation and bottom-up planning had no value to the consortium. It wanted a powerful and centralized financial and administrative structure. While this exercise had some benefits for Sarvodaya in improving certain weaknesses in administrative and financial management, the overall impact was a disaster as far as nurturing people's initiatives was concerned. Our expectations of the consortium were shattered. The only beneficiaries of its work were a few expatriates who have now become internationally reputed consultants and experts on NGOs despite their insensitivity to peoples' initiatives.

6 THE EFFECTS OF THE DONOR CONSORTIUM

As a result of the consortium intervention, an organizational structure that had evolved organically was unnecessarily sectoralized, destroying the integrated and cohesive character that was a hallmark of Sarvodaya. For example, the eight districts in the North and East were first separated from the normal consortium programme on the promise that these eight districts would be supported by a separate programme to be funded by two donor agencies. Sarvodaya agreed to this and funds were provided. But the donor-imposed criteria for the selection of the chief executive (that he must be from a particular ethnic group), the way funds were to be transferred to Jaffna and Trincomalee and even the supervision of the chief executive's work was substantially taken out of Sarvodaya's hands and given to consortium monitors. Within a very short time, these monitors began by-passing the executive director of Sarvodaya and the authority of Sarvodaya's Officials Committee. The regular Sarvodaya administration was sidelined. However, when the programme collapsed, the donors put the entire blame on Sarvodaya. The consortium monitors (who were afraid to go to the work sites because of the war situation), gave weak excuses recommending that this programme should be scrapped. And it was scrapped. Accordingly, massive Sarvodaya employee retrenchment had to take place from October 1992 and the entire North and East programme was paralysed. It is only the voluntary efforts of the workers in the North and East that had enabled Sarvodaya to revive its programme to some degree and continue its work.

With regard to the core programmes in other districts, the separation of the social programmes from the economic programmes was the second devastating mistake that donor consultants pushed Sarvodaya into. Earlier, the economic programmes were an integral part of the social programmes and substantial funds were spent on development education and other community strengthening programmes. The chief executive of the economic programmes became the favourite of some of the monitors and donors who assisted him in his attempt to split the organization i.e. set Sarvodaya's economic programmes up as a new organization, fully independent of Sarvodaya. The chief executive of the economic programmes was dismissed only after the harassment of Sarvodaya by the Premadasa government was stopped. He soon found a job as a donor consultant on NGOs!

A third area in which the consortium had a major impact was Sarvodaya's Development Education Programme. At one stage, Sarvodaya had about 360 centres where Development Education activities were going on. Today there is only one place. This is the result of the recommendations of the monitoring missions accepted by the donors. A programme for which originally about 70 per cent of our funds were spent became the least important for them and hardly any funds were allocated for this activity, despite Sarvodaya's conviction that such activities were of great importance.

7 A CLASH OF CULTURES

The Sarvodaya staff are not well equipped in modern business management techniques, monitoring systems and reporting in comparison with the lap-top computer

toting consultants who fly in and can produce dozens of recommendations and reports without ever visiting the rural areas. Such consultants are hardly aware of the vast transformation of rural life taking place in all sectors as a result of the efforts of Sarvodaya through motivated, non-professional villagers. Most Sarvodaya educators lack university degrees and the ability to speak English even though they possess years of field experience and common sense. Perhaps, for these reasons, what they could teach was not considered to be of importance by the consultants.

The Sarvodaya staff soon developed an inferiority complex and a fear of the donor-promoted consultancy missions. It was a classic example of an uneven confrontation between the dominant materialistic value-system of the 'Northern' development paradigm and the humanistic and holistic approach to development of the South. The Sarvodaya management personnel tried their very best to improve administrative and financial management, monitoring and reporting systems. All these were delivered on time, especially during the last three consortia meetings. Unfortunately, these reports were not read or discussed or even appreciated by the donor representatives. Those who chaired these meetings, like the representatives of NOVIB and ODA were on a different wavelength from our executive director or his chief executives. One donor representative wanted a Sarvodaya worker to show the 'spirituality' contained in his work in a village she briefly visited!

The spirit of partnership was no longer evident from the consortium. While Sarvodaya displayed full transparency and accountability, in the way Sarvodaya understood it, there was hardly any transparency or responsibility on the part of the main consortium partners. It was only directives, one after the other, that we received from them. The consortium recommended and imposed on Sarvodaya a top heavy administration with professionals who were paid much higher salaries than highly experienced non-English speaking community level workers. They requested Sarvodaya to make its volunteers paid workers. For executive officers, vehicles and other facilities were provided. Even the auditors were changed so that much higher fees had to be paid.

The budgets were formulated jointly with the consultants. The consortium, which had agreed to find the required funds in full, now decided to give only about half of what Sarvodaya and the consultants had agreed. Overheads increased while field programmes were cut. The monitoring missions recommended, and the donors insisted, that Sarvodaya should not allow any more villages to join its programmes. They dictated that the 8,600 villages that Sarvodaya had reached should be reduced to 3,000 in 1992 and 2,000 by 1994. This was a condition for approving even the reduced budget. How Sarvodaya was to face those 6,600 other communities whose expectations were shattered was of no concern to them.

We believed that the consortium concept was adopted to follow a strategy of 'partners in progress'. We admit that there are potential advantages in the consortium concept, but the disadvantages are manifold. The executive director and the other senior officials became preoccupied in implementing proposals and recommendations imposed by the donors as well as various monitoring and evaluation missions and consultants virtually on a daily basis. In a period of less than two years 123 recommendations were imposed on Sarvodaya. It was humanly impossible to implement all of them. The senior staff of Sarvodaya had hardly any time to

look at what was happening in villages. Under the guise of 'professionalism' and 'business development' these donors held sway over Sarvodaya to the extent that the character of the organization was drastically affected. The meeting of the donor consortium was gradually converted into a business forum where no humanitarian considerations were given attention. Donor representatives, from ODA (UK) and NOVIB, dominated the last two meetings and dictated terms to Sarvodaya. The donors even went to the extent of imposing 'sanctions' on Sarvodaya by adducing reasons such as our inability to meet their 'expectations'. Ironically, this is the same type of language used by the IMF in dealing with the governments of developing countries. The expectations of thousands of village communities as expressed by Sarvodaya were not given any consideration. The Sri Lankan culture of being polite and courteous continues to inform Sarvodaya actions but how long can Sarvodaya accept this sort of intervention?

8 CONCLUSION

The Sarvodaya Shramadana Movement experience with donors has been salutary. What started off as a partnership based on dialogue had, by the mid-1990s, become a sub-contractorship based on commands and sanctions. Although donors in Sri Lanka were keen to work more with NGOs they had adopted a 'development as business' approach that placed them at loggerheads with Sarvodaya, and many other Sri Lankan NGOs. Underlying the problems of recent years has been a fundamental clash of cultures. On the one side the donors—emphasising a top-down approach, centralization, professional expertise, materialist values and the short-term. On the other Sarvodaya—emphasising a participatory bottom—up approach, decentralization, voluntarism, holistic development and the long-term.

Donor approaches to Sarvodaya were riddled with inconsistencies. While wanting to work with NGOs because they have low overheads and are cost effective, donors insisted on paying volunteers, employing highly paid professionals and the greater use of vehicles! While espousing participation, devolution, social development, stakeholder analysis etc, donors sought to impose hastily prepared plans produced by visiting foreign consultants. The major contribution that our donors initially made to helping Sarvodaya expand its network has been lost in this clash of cultures and donor inconsistencies.

In order to maintain good relations with donors, NGOs need to be able to write professional reports and properly audited statements. Everything should be shown on paper. That is the most important obligation to fulfil. The quality of work in the field matters less to the donors. Basically they do not have much of an idea of what goes on there anyway. Their whistle stop visits to rural development sites can never reveal the realities of development, though the exhaustion they may feel from driving around in the countryside may salve their consciences.

NGOs must recognize that when they work with donors they enter into a power relationship in which they are the subordinate. They cannot expect to be able to heavily influence donor behaviour: particularly when donor's are in a consortium and, by scaring-off non-consortium donors, can become monopoly suppliers of foreign aid. Unless NGOs are prepared to rely on voluntary contributions (from villagers, the middle classes in their own countries and privately supported north-

ern NGOs) then ultimately the donors have the power because they have the money for which there is much more of demand than supply. The temptation for donors (who are ordinary humans after all) not to throw their weight around is almost impossible to resist.

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