

Religious practice and micro-credit

Arvind Ashta^a & R de Selva^b

^a Chairholder in Microfinance²⁹, Burgundy School of Business (Groupe ESC Dijon-Bourgogne), CEREN, CERMi
arvind.ashta@escdijon.eu

^b Ecole Pratique des Hautes Etudes (Sciences religieuses)-CEMAF (Centre d'Etudes des Mondes Africains),
Paris; Prof. Social Anthropology, Sociology Department, University of Burgundy.
deselva@ivry.cnrs.fr

Abstract

Research purpose:

People who need and benefit from micro-credit in Bengal are most often the poor. In these groups, the success of the action - including and even especially "economic" action (success in business) is often linked to, or accompanied by a ritual behaviour (advice from the "wise", wishes submitted to religious bodies: saints, deities or others), which has little economic visibility, but without which the economic investment is not perceived as adequate.

This behaviour is not unique to economically disadvantaged categories covered by the microcredit. But in their case, we can assume that it is more problematic or critical.

In an ethnographic study conducted among a Bengali population practicing micro-credit we ask whether the notion of success achieved from profitable activities financed through microcredit can be separated from religious practice.

We will address the following questions:

- What kind of religious practices, if any, are used by Beneficiaries of microcredit?
- Do these practices support them in their economic behaviour and, if so, how?
- Is there a link between the actual achievement (actual economic performance) and religious behaviour?
- Does religious benediction reduce fear of failure/ increase confidence or optimism

Research design/methodology/approach:

In addition to a literature review on the subject or religious practice (De Selva) and on microfinance (Ashta), the project will involve grass-root field research.

The project has two components:

- an ethnographic and anthropological component, where the analysis will be conducted by Dr. R. Selva
- an economic and financial analysis which will be conducted by Dr. A. Ashta

Key results (expected):

Satisfaction requires economic success and social validation (hypothesis to be confirmed or refuted)

Social approval for action is required owing to loss aversion. If the project does not succeed, who is going to be blamed? Or perhaps, it is perceived that village elders/ religious persons will provide the networking to ensure success.

In a globalized world and an economic system that works, thanks in part to globalization, will the relationship between economics and religion change? Otherwise stated, is it that the "material" will gain ground on the "spiritual"

if the economic system brings "tangible" results?

Impact: (on new research or on new practices, policies) Value added/ Originality :

²⁹ We would like to thank the Banque Populaire of Bourgogne-Franche Comté for financing the Microfinance Chair held by Arvind Ashta. Our thanks to N.K. Ram and Siva Cotipalli, founders of the two online lending site, and to Bhalchander Vishwanath and Shrikant Krishan for reviewing the paper. Our thanks to the participants at the University Meets Microfinance workshop held in Berlin on the 6th of November 2009 for their animated comments on a presentation of this paper.