

## Reviews and resources

### **Development, Divinity and Dharma: The Role of Religion in Development and Micro-finance Institutions**

Malcolm Harper, D.S.K. Rao and Ashis Kumar Sahu  
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Donors, both bilateral and multilateral, have begun not only to recognize the role played by faith-based organizations (FBOs) in promoting development but also created special divisions to manage their relationships. Despite this, there is still an equally widespread doubt and caution among donors, academics and policy-makers as regards the role of religion and FBOs in development. Moreover, the religious extremism and fundamentalism witnessed during the last eight years seems to pose further challenges to FBOs involved in development.

By examining the socio-economic impact of development and microfinance interventions undertaken by both big international as well as domestic NGOs such as Shri Kshetra Dharmasthala Rural Development Programme (SKDRDP) in India, the authors dispel some of the conventional perceptions held regarding the role of religion/FBOs in development. The results of the study seem

to demonstrate that religion contributes to:

- the formulation of visions and missions that are holistic and transformational, enabling FBOs to focus on whole-person development;
- cost-efficiency resulting from the willingness and sacrifice of employees to take lower benefit packages as part of their religious commitment (FBOs also attract more volunteers from among their followers);
- higher and quality performance and accountability. FBOs apply core values rooted in their religions, which make their staff feel they are not only accountable to their respective organizations and one another but also to the God they believe in. They work harder with more responsibility, integrity and accountability;
- improved repayment performance and sustainability. The clients tend to see the money they borrow as belonging to God and therefore refrain from defaulting as this will be going against their faith; and
- fundraising. FBOs have easier possibilities of mobilizing resources from among their followers who give with

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generosity and sacrifice on the basis of religious convictions. These seem to put FBOs at a greater advantage than their secular counterparts.

The authors also assert that FBOs: (1) run operations that are professionalized in terms of competence and technology; (2) are cautious about overtly exposing their religious practices through verbal expressions; (3) do not make religious boundaries – they serve not only people of their faith but people of all religions without reference to race, tribe, gender and creed; and (4) face challenges in mobilizing funding from secular donor agencies. The authors also point to areas of difference between the FBOs as regards history, and positioning, as well as in the treatment of interest rates and gender.

The book makes an objective analysis with good historical and empirical accounts. The case studies and individual success stories constitute very interesting and inspiring reading. It provides fresh perspectives on current international debates and perceptions by using the field material in appropriate and meaningful ways.

The book seems to be associating the spread of the Christian religion with the history of colonialism and treats Christian FBOs as the more 'advantaged' and the Muslim ones as relatively less 'advantaged'. Of the 13 chapters, eight are devoted to the Hindu religion/SKRDP

programme, while only one chapter each is devoted to the other two. This kind of disproportionate presentation of material renders the book somewhat biased. Although it is not the subject of the book, it would also have been interesting to do some comparisons between the religions studied in terms of performance and impact. The book also offers little or no criticisms of the policies and practices of each of the three religions. Moreover, the Islamic experiences shared from Africa are more in general terms. These constitute some of its weaknesses.

To faith-based development practitioners, the book provides compelling evidence of the great impact religion is making on the lives of the poor and is likely to serve as a valuable source of encouragement. To doubting academia, the book provides credible evidence that religion shapes people's values and attitudes, positively impacting productivity, accountability and development performance. Religion is not a liability to development. It rather stimulates development serving as an asset, a social capital. To the international donors, the book gives an assurance that FBOs do not use project grants for proselytizing. In short, the book provides valuable lessons about the role of religion and FBOs in development and should be read by donors, practitioners, academics and policy-makers.

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