

# DEVELOPMENT PRACTICE BY RELIGIONS AND ECONOMIC DEVELOPMENT

## An Overview of Development Scenario in Keralam

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### 1. Introduction

Religion, economics, and development: do the three terms relate? Definitely, the last two are often discussed as inseparably linked. With the former, however, the initial response could be that of an unholy alliance between 'God and Mammon'.<sup>1</sup> Usually, religion spoke about and presented a world beyond the realm of matter and economics. There had, of course, been people like Kumarappa, who spoke of an 'Economics of Permanence' in a very religious or spiritual sense, without losing the reality of economics. However, coming to practice, one finds, that just as religion touches almost all plains of life, including economics, economics does the same, perhaps, all the more, including the religious plane. This could manifest in modes on a continuum between the very subtle to the very gross.

In the subtle, oft unexamined levels, a human being calls upon his/her religious resources, including God(s), for prosperity and economic development, and is glad and obliged to his/her God, when s/he manages to attain economic development. They believe that they owe it to God, and the gratitude is manifested in the form of tithes for religious establishments, *zakkat*, *daan*, etc., all of which have implications for the economic growth of many a dependent one.

### 2. Religion-Inspired Economic Development

The invariable religious precept of 'love for others' or 'do good'<sup>2</sup> has led to numerous activities in the domain of economics (by way of transfer of economic resources, directly or indirectly). It was by striking the

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<sup>1</sup>See John Dilip Chakkanatt, *Of God and Mammon: J. C. Kumarappa's Religious Theory of Economics as a Counterpoint to the Religion of Economics*, New Delhi: Intercultural Publishers, 2001, xvi, 165.

<sup>2</sup>*Paropakarah punyaya, papaya para pidanam.*

religious cord that Gandhiji and Vinoba could ensure *Bhoodan* and *Gramdan* on the basis of a very religious ideal of 'trusteeship'.

An academic group in Chicago, the Association for the Study of Religion, Economics and Culture, focuses on the studies pertaining to the influence of religion on economic matters. *Business Week* (December 6, 2004, web version) carried a lead article on "Economics of Religion" by Joseph Weber and Peter Coy. It spoke about how the basic economic theories of supply and demand regulate buying and selling of 'goods and services', whether religious/spiritual or very much mundane. There have been studies showing how religions influence other aspects of economic life and growth through their various rules regulating economics, e.g., laws on interest, inheritance, etc.

The same article cites the view of Harvard University's Robert J. Barro, a *Business Week* columnist, that a strong religious belief can promote economic growth, something in line with the Weberian Protestant Work Ethic. Antony Kariyil (1995), in his doctoral dissertation,<sup>3</sup> has pointed out this phenomenon. He shows that it is not merely confined to Protestant Ethos, but to other communities as well. He brings in the case of the prosperous Syrian Catholic Community of Keralam as proof. If this pertains to the elite section of the society, the influence of religion in economic progress was observed in the so-called backward (socially and economically) communities as well. The dalits of Syrian Catholic Church are a case in point. In spite of being deprived of the state reservation privileges and not receiving much of economic support from the Christian community, and in spite of their belonging to one of the lowest rungs of the society as far as socio-economic status goes, they show standards higher than the state and countrywide status of dalits in general. A recently conducted research points to this as the influence of their religious life and community.<sup>4</sup>

These two show two aspects of economic influence of religion. (1) The economic aspects of religious observances (mostly ritualistic): there are, in fact, thriving businesses and industries based on servicing ritualistic religion; they have the multiple function of a) filling the coffers of

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<sup>3</sup>Antony Kariyil, *Church and Society in Kerala: A Sociological Study*, Delhi: South Asia Books, 1995.

<sup>4</sup>Johnson P. Palakkappillil, *Dalits of Syrian Catholic Church in Keralam*, Kalamassery: Rajagiri College of Social Sciences, 2008 (unpublished doctoral dissertation).

religious establishments, such as temples, mosques, churches, generating income for people providing the religio-spiritual services through these establishments, b) satisfying the religious needs of the devotees, and c) of sustaining the livelihood and income of those involved in the supply of these goods. (2) Economic activities and economic advancement as a resultant of religious ethos: The latter goes true more with personal economic advancement based on the inspirations from one's religious beliefs. Both of them, in effect, are channels turned towards physiological-safety and security needs of human beings, or those of self-aggrandizement.

A casual observation of the past few decades shows great flourishing of religions – all religions – in India. This is indicated by the growth of places of religious worship, like temples, churches, mosques, and other centres of fellowship of various permutations – combinations of Hindu-Christian religions. They, indeed, show prosperity, while the actual numbers of the poor in any of these religions have not decreased, though their percentage might have. This apparently ironical situation of material affluence of religious (read spiritual) centres has been aptly criticized by the Malayali poet Madhusoodhanan Nair. His critique is focused on faith mansions with increasing purchasing power, and religion (*dharmam*) that comes into notice of the public in their process of measuring wealth, and in the process is becoming irreligion (*adharmam*). According to him, the basis of such an increase in economic prosperity is based on devotion that borders around hysteria (*unmada bhakti*):

*ponnu kanikka vanchi tan va pilarnnamarunna  
kraya seshi vardhicca viswasa metagal...  
Panattotalannalunna-dharamavum kantuvo?*<sup>5</sup>

Indeed, the economic growth and prosperity of both institutionalized and charismatic religions have been amazing that they grow, proliferate, and erect structures that vie with one another in their uninhibited exhibition of wealth.

Centres of pilgrimages become centres of great commercial activity, which either directly or indirectly sustain the lives of thousands of people. The examples are Velankanni, Sabarimala, Thirupathy, Puttparti,

<sup>5</sup>V. Madhusoodanan Nair, "Bharateeyam" in *Naranattu Brantan*, Kottayam: DC Books, 1992 (2003), 103-104. "The wide mouthed golden collection boxes, the faith mansions with increasing purchasing power... and have you seen, the religion, or rather, irreligion which indulges in measuring its material wealth?"

Haridwar, etc. There are many more of such which act, indeed, as money spinners.

### **3. Positive Contributions of Social Service Units**

On the other hand, when it comes to the economics inspired or influenced by religion, there could be an entirely different stream of economic advancement, that is, of serving the cause of the many. As far as the Church in India is concerned, especially its Catholic section, spread all over the country, the volume and figures are really staggering.

Various Christian (more conspicuously, Catholic) dioceses maintain invariable social service units rendering massive services to the economic sector through their programmes in employment generation, capacity building, income generation programmes, etc. These units are generally called 'Diocesan Social Service Societies' in many parts of the country; in other parts, they are called 'Multi-purpose Social Service Societies'. These often have state-wide confederations, like the Kerala Social Service Forum (KSSF) or KROSS in Karnataka. They do the function of coordination among various diocesan social service units.

The vast amount of funds they generate or receive flow out in the form of housing, education grants, and income generation programmes. The typical employment and income generation programmes earlier included training in tailoring, handicrafts (Vimalalayam Model), typewriting, electronics, electrical work, etc. In the modern times, there have been additions to these, especially in the urban centres. The new programmes cover computer basics, Desktop Printing (DTP), motor driving (including assistance in procuring a driver's licence). Besides training, many such organizations initiated production centres where the trainees got employed. Some established linkages with production centres in order to ensure placement for the trainees. Many such centres function as assembling units of well-established companies. Snehagiri (Mala), KRIPA (Chunangumvely), Vimalalayam (Ernakulam), etc., are a few of such initiatives

### **4. Self-Help Groups: Challenging the Power Equations beyond Religious Colours**

A recent trend has been the introduction of self-help groups (SHG) on a massive scale across the country. Originally began with 'Credit Unions', most of them have been initiated by Voluntary Organisations, in the context of Kerala, where the influence of Churches has been tremendous.

Credit Unions served as a strategy for Community Organisation; pooling in of a weekly remittance by the individual members and easy access to credit in the neighbourhood motivated people to come together. This coming together led to other areas of collective action for common good. The model initiated by the academic economist Muhammad Yunus of Bangladesh became a household model in the entire developing world. This had the added emphasis of involvement of women of the neighbourhood, their empowerment through access to timely credit and income generation. The model was eagerly taken up by the voluntary sector on the whole, and by Christian development organizations in particular. While Credit Unions in the segment could be traced to early 80s, we find intensive promotion of SHG concept in the late 90s. By the first five years of the new millennium, the trend was accepted and co-opted in many states into the state poverty alleviation and welfare mechanisms. A unique initiative from Keralam, called *Kutumbasree* (Family Prosperity), has been hailed a functional model; on this front, success stories galore in Tamil Nadu and Andhra Pradesh initiatives.

Diocese/ Agency	Housing	Income Generation	Employment Generation	Agriculture Promotion & Rural Techy	SHG - Credit	Other	Total
Welfare Services (Ernakulam Arch- diocese)	77,000	8,500,000	5,000,000	2,100,000	60000000 (30000/1 850)	16200000 (includin g medical aid, etc.)	91,877,000
PSSW (Pala Diocese)	700,000	4,500,000	600,000		7,254,120 (17000/ 1100)		13,254,120
Samagravi kas (CMI St. Joseph's Province)	3,85,000	695,800	50,000		5,000, 000 (70)		9,200,800

(Note: All the figures are approximate for the year 2007-08)

The above table shows a sample of the inputs in the development-welfare front in a few key sectors of housing, IGP, EGP, agriculture promotion, and SHG strategy. In Keralam alone, there are about 30 Catholic dioceses, with their social outreach wings! The rows 1 and 2 are indicators as to their input in socio-economic development in monetary terms. Besides these, numerous Catholic religious congregations with each

of their provinces having socio-economic development units (row 3 gives a rough picture of the input of such an organization), and the various other Christian denominations, and other religious groups like the Ezhavas, Nairs, Brahmins, etc., and various Muslim religious organizations have contributed enormously towards the development front.

In spite of the government's cooptation of the method into its programmes, and proliferating SHGs all over the state, SHGs initiated by the Church-based organizations proved to be great survivors, with large scale network of such SHGs, which have generally led to some sort income generation programmes. Other religions have not been left behind. The trend has caught the fancy of the Ezhava community, organized under the banner of SINDP, with hundreds of SHGs; most of them, however, have a mark of exclusion, contrasted with the inclusive approach of the Church-based attempts.

Going beyond the terrain of small savings and consumption credits, there had been several Church-based organizations which plunged boldly into highly commercial ventures aiming at large scale employment and income generation. Some such initiatives were by Peerumede Development Society (organic spices, ayurvedic medicines, etc.), Changanassery Social Service Society – CHASSS (manufacturing and sale of furniture, tourist bus operation, *khadi* production, etc.) or Malanadu Development Society (apiculture and marketing of honey) or Kuriakose Elias Service Society (marketing of craft products of artisans).

## **5. Services and Economic Development**

When it comes to the economics of services offered, in the name of or inspired by religion, two vital sectors of development deserve special attention: education and healthcare.

### **5.1. Education**

Various religious groups, especially the Christian Churches in India, have been a formidable presence in the field of primary as well as higher education. In the initial phase, it had invariably been a service to the various deprived sections. The economic impact by way of building up social capital, human resource development, employment generation, etc., was tremendous. In the later phase, as education spread to every nook and corner of the country (though there are many areas which still continue to be very much deprived), the focus of education mission appears to have shifted from meeting the basic educational needs to ensuring quality and

excellence in education. In this trend, the Church-based institutions have been in the lead, while others, like the Muslim Education Society, SNDP, and similar other bodies have not been out of the picture. In this phase, while the stress on quality, facility, and infrastructure has been undeniable, these education ventures invariably got transformed into business ventures with a concern for costs, ranging from a desire for a no loss status (break even) to that of generating handsome revenues. This has also been the case with centres of higher and technical education.

In the last one decade, in the state of Kerala, the contribution of religious institutions, Church-based institutions being outstanding among them, in the field of higher and technical education has been very significant. A new wave of starting such institutions of higher learning, with superior infrastructure, has had great economic impact. From a very superficial assessment, there has been around 15000 jobs – professional, para-professional and others – created from about 30 odd such institutions run by various religious groups. Apart from that, the economic development around such institutions by way of establishing various service outlets – food, lodging, stationery, etc. – has also been substantial. The savings generated by the native population, by availing the locally available centres of education, rather than going elsewhere in the country have also to be taken into account.

While, on the whole, the media and political parties have created a very negative picture of this initiative, and the various religions, especially the churches and their authorities, have been much maligned as profit seekers, the economic impact and contribution to economic development of the localities and of the region, as a whole, are yet to be studied systematically. Towards the latter part of this phase, such institutions started by the Church groups, especially the Catholic section, have introduced tangible measures that would help the economically backward sections.

## **5.2. Healthcare**

This has been another traditional service sector, the religions, more so the Church organizations (here again, Catholics being more conspicuous), have done tremendous work purely with service orientation. The care of the sick and the infirm was seen as a mission. This has been traditionally so with the rest of the healthcare professions as well. While the modern trend of healthcare is that of providing quality service for which the clients

are expected to pay as if in any other business or profit venture, the Church-based healthcare units have been still sticking on to the tradition of providing quality care to the poor and members of the backward sections of the society. They have consciously adhered to the norm of accessibility of all, from basic to quality healthcare. Again, to take stock of the economic contribution in this regard would be a laborious task.

### **6. A Critique on Religion-Inspired Development**

A brief survey of various economic activities initiated in the name of religions or inspired by religious faith reveals a wide range of activities and a massive turnover of money. However, it does not deny the fact that the vast majority of these interventions and initiatives have been based on a passive and uncritical acceptance of the status quo and the dominant development paradigm. Concerns for justice and equality are more at the appendix level, rather than in the mainstream of developmental projects. Activities leading to structural changes (system-changing action) on the basis of the core religious values, like justice, are very much missing; rather works of the nature of 'patch work' (system-maintenance action), which, at the best, address the 'access and approach needs', constitute the current paradigm. Here vital issues of sustainability are not seriously considered. A typical example could be the religion-based support efforts for 'marrying women off' by providing for dowry and/or marriage expenditures. There had been occasions when the organizations felt incapable of initiating action for the cause of justice for the fear of withdrawal of projects or funds by the state or other funding agencies!

Another aspect of such initiatives is that of 'project implementation': developmental projects are initiated precisely because project funds are available, and not necessarily because it is the need of the people. For example, there had been funds tied to stigma and HIV prevention, while these had not been identified as people's needs by the target groups, rather had been an agenda-driven intervention. Many of the religion (Church) based organizations have been eager to take them up.

Another grey area is that of being a duplicator in the place of being a pioneer. Even when the state machinery has introduced a system to address the credit needs of the local poor, the religious initiatives, instead of supplementing or complementing, have been duplicating the system. They appear to become unwary victims of the 'spirit of competition' and 'survival struggle', all leading to unhealthy competition with the state initiatives and also among various religious or non-religious voluntary



organizations themselves. The monopolistic market thinking has not been without its impact on the domains ruled by religions as well.

A fourth criticism of such initiatives is the lip service done to the vital principle of sustainability through participation. In operation, participation happens only at the levels of implementation and of receiving the benefits. Very rarely does it go to the realms of conceiving, designing, and evaluating, and above all, in owning. The initiatives do not sustain; if at all they sustain, it is because the external organization sustains, and not because local organizations have grown capable of sustaining such efforts. The question whether the target groups want to own or take responsibility is a moot one, something which is to be thoroughly researched before jumping into a conclusion.

A fifth area of negative performance is the involvement with the basic production sector of agriculture. The present involvement of the development organizations having a religious basis has failed in promoting the primary sector of development, i.e., agriculture. While we experience a food security threat and the world over development sector speaks about 'food sovereignty', the involvement and initiative of development front of religions have been minimal. While development organizations led by inspired individuals like Vandana Shiva (*Bij*, Delhi) or community initiatives, like that of Anna Hazare (perhaps not without a religious foothold), have really made an impact and have gone to the extent of influencing thinking and policy across the globe, the rather well established development organizations are conspicuous by the absence of their contribution in this sector.

A final threat of religious economics is that of the economics of fundamentalism and terrorism. Eli Berman, an associate professor of economics at the University of California at San Diego, finds economics working behind the religious choices of fundamentalism, martyrdom, etc. It implies what is thought to be sacrifices by motivated young men (and rarely, women) from average socio-economic background. He proposes that prosperity through freer markets might reduce this economics of religions.<sup>6</sup> Laurance Iannacone proposes disruption of the firms that sponsor such religious involvement, rather than freer markets as the solution.<sup>7</sup>

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<sup>6</sup>Joseph Weber and Peter Coy, "Religion of Economics," *Business Week*, December 6, 2004.

<sup>7</sup>Weber and Coy, "Religion of Economics."

### **7. Conclusion**

The religious inspirations are invariably found to have economic implications. While those typically religious (ritualistic) activities are found to be having direct and indirect economic bearing, spanning the range of small to enormous, there are also a wide range of activities usually termed developmental, which are inspired by religious values and implemented through the medium of religious institutions and organizations. The total monetary input could, indeed, be staggering! Their share in the total welfare activities would be sizeable. In spite of the huge volume of developmental inputs in monetary terms, in most cases, they still belong to the category of maintaining the systems and structures, which are found to be mostly unjust and corrupt. The religions, on the whole, have yet to wake up to the call of liberative justice, and fashion their development involvement in a more creative, critical, and radical fashion.