

Title: The influence of political ideology in perceptions of, and donation decisions towards, microfinance institutions and conventional charities.

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Description:

Microfinance institutions (MFIs) provide loans to low income individuals who would not normally be able to secure them, and have grown enormously as an industry in recent years, with many purported benefits over the conventional charity model (e.g. promotes independence, allows the individual greater personal autonomy). Due to this recent growth, there exists a need for research into factors which might influence individuals to donate to MFIs, similar to research currently available in regards to the conventional charity model. This project examined the relationship between individuals' political ideologies, autonomy/dependency orientation and their donation behaviour and perception of charities (conventional charity vs. microfinance institutions). Participants completed an online survey in which they were presented with a description of a fictitious conventional charity and an MFI and were asked to report their perceptions of the charities and the percentage of total funds they would like to allocate to either charity. Following this, they answered questions regarding their political ideology, moral foundations, and autonomy/dependency orientation. A significant positive relationship was found between MFI perceptions and an egalitarian ideology, as well as a significant negative relationship between egalitarians and dependency based help. Conservatives showed a significant negative relationship towards conventional charity, and a significant positive relationship towards dependency based help. These findings open the door for exciting new research into the microfinance model, in particular the relationship between egalitarians and MFIs.