

# Review of: "An analysis of the Sociology of Religion of Plecit Bank activities in traditional Indonesian markets"

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**Potential competing interests:** No potential competing interests to declare.

I have reviewed your article, "An Analysis of the Sociology of Religion of Plecit Bank activities in Traditional Indonesia Markets," with great interest and can offer a few thoughts for your consideration. I offer those in no special order.

First, I was struck by your argument that the traders you profile are willing to accept high interest rates both as a religious proposition, despite the contrary Islamic teaching you highlight, and despite their extremely high levels and, apparently, short repayment schedules. They do so, you seem to suggest principally, because these funds are made available with fewer transaction costs than typical for loans from commercial banks. More, you suggest that traders value the need for capital liquidity more than they valorize their religious scruples. Fair enough, but this outcome seems a stretch intuitively for otherwise devout followers of Islamic tenets to reach. And that leads me to a key question your analysis raised for me....

[Second,] you do not appear to have completed field work for this effort, but instead have based your analysis on existing literature and derived a framework linked to entrepreneurship to make sense of your findings from your literature review. If that is so, I wonder if it might be useful to interview or survey a sample of traders concerning their values, behavior and activities with an eye to determining the fit of your frame to what they share with you? Relatedly, and more specifically, how often do debtors skip out on these high interest loans? Is that part of the reason for why the interest rates charged are so high? Similarly, do you know how high the rejection rate is for these micro loans—whether formally or informally?

Third, you indicate that commercial lenders are not visible in poor rural areas. Why is that so, exactly? Do they perceive loans to this population as innately too risky? Are their principals unwilling to charge these interest rates? Are both concerns at play? Neither factor? Others? In fact, you emphasize that commercial lenders, because more "formal," cannot play in this market but I do not know why that would be so a priori? I wonder if you could provide evidence laying out exactly what those lenders believe and why concerning this question?

Fourth, I was perplexed by your argument that this high interest informal sector lending engendered a special form of trust and even of kinship? Why exactly?

Fifth and related, you suggest these activities are "owned jointly and believed in collectively" but I cannot find an argument suggesting what you mean by that important finding? Could you share one as you develop your article? I believe such could occur, but you do not yet provide an analysis of how and why it might obtain. I can think of many reasons it might not.

Sixth, I was intrigued by your allusion to Bourdieu and socially organic needs. I wonder why this form of market transaction, based as it is, as you suggest, on the quest for profit on the one hand and immediate need on the other hand, should be considered anything other than a simple market/trade exchange relationship? I cannot find where you have yet developed an analysis that suggests the specific characteristics, not functions, of these transactions that can lead one to conclude this practice is now a cultural and organic one? You may wish to consider this concern further.

Finally, if you know a strong English language editor, you may want to ask them to review your effort to help you polish it so that it is readily followed. I had difficulty following your contentions at various points and I believe a careful editorial review aimed at ensuring clarity and appropriate word choice could alleviate that concern.