A Critique of Microfinance In-Context: Lessons from Kiva in Guatemala

Jim Plew; IU Kelley School of Business
1IU Kelley School of Business, 2IU School of Liberal Arts

This paper examines the microfinance industry and its recent use of technology in connecting individual lenders to borrowers in developing countries. Special consideration is given to the ethical dimensions and associated risks inherent in these social ventures. In addition, this paper seeks to establish a ‘rubric for effectiveness’ for social ventures in developing countries through the analysis of data, testimonials, and stories from the field. Topics include economic development, poverty alleviation, social efficiency, social capital, information asymmetry, and local neoliberalism. Drawing on the results and conclusions of this study, questions for future research in the field of social entrepreneurship are presented.

Mentors: Dr. Richard Ward; IU School of Liberal Arts