Introduction: religion as an explanatory variable for entrepreneurship*

Léo-Paul Dana

People with unlike cultural beliefs and religious values have looked at entrepreneurship with varying degrees of legitimacy. The Greek philosopher Aristotle (384–322 BC), a student of Plato and teacher of Alexander the Great, viewed entrepreneurship as unnatural and therefore illegitimate (Aristotle, 1924). Becker (1956) explained that some cultures consider business an unholy occupation. Woodrum (1985) found participation in religious activities to be a predictor of entrepreneurial success among Americans of Japanese origin. Dana (1995a), and Lumpkin and Dess (1996), advocated that a small firm’s orientation is grounded in the values of its entrepreneur.

Values and culture shape the environment for entrepreneurship as well as the entrepreneurial event. Aldrich (1979) noted that the environment could provide or withhold resources. From an anthropological perspective, Stewart (1991) suggested that the legitimization of enterprise was a function of culture. From a sociological perspective, Reynolds (1991) confirmed the importance of non-economic factors, such as the legitimacy of entrepreneurship, on entrepreneurial activity. Specht (1993) emphasized the importance of cultural acceptance. Cultural acceptance of entrepreneurship varies among people with different cultural values. Likewise, people from different religious backgrounds have unlike propensities to become entrepreneurs.

Farmer and Richman wrote,

There is a close correlation of countries in terms of how deeply the Calvinist spirit has penetrated their economic and social behavior with real per capita income and level of economic development. Thus, in 1958, all fifteen countries of the world with per capita incomes of over $700 per year were those which had followed the Calvinist ethic extensively; and, with the possible exceptions of France and Belgium, all were quite extensively Protestant in religion. No country where the Calvinist ethic had deeply penetrated was not included in this list of most wealthy countries, while none of the extensively non-Calvinist nations had yet achieved such economic success. (1965, p. 157)
More recently, Enz et al. (1990) identified different value orientations among various communities and concluded that value orientation may be an important component in entrepreneurs. Some cultures simply value entrepreneurial activity more than do others and empirical evidence suggests that some religions are less conducive to entrepreneurship than are others.

The Government of Canada found that per 1000 Filipino workers in Canada, 18 were self-employed; the same reported that per 1000 Greek workers in Canada, 124 were self-employed (Dana, 1991). How can such differences be explained? Could it be that the Greek Orthodox religion inculcated certain values among members of one group? Indeed, the worldview of Greek Orthodoxy fosters a work ethic and leadership style that may facilitate successful entrepreneurship.

Galbraith et al. (1997) examined differences and similarities in attitudes and cultural norms between two groups in the United States: Catholic Hispanic entrepreneurs and non-Hispanic entrepreneurs; this study hypothesized that the first group consisted of hybrid persona, combining aspects of the traditional notion of the entrepreneur while retaining important cultural characteristics of the Hispanic community. The authors found that successful Hispanic entrepreneurs were also leaders in their Hispanic community; business leaders were often leaders in the religious realm.

Studies that investigate entrepreneurship as if it were an isolated phenomenon – derived from the self and based on psychological traits of the entrepreneur – risk ignoring important causal variables arising from the environment, including the religious milieu. As suggested by Drakopoulou-Dodd and Anderson (2007) the dynamics of embeddedness and social conditioning should be attributed equal weight to the entrepreneur’s individual agency.

Religions are depositories of wisdom and of values; furthermore, religious beliefs are intertwined with cultural values. Are prevailing religious beliefs explanatory variables for a propensity for, or indifference about, entrepreneurship? Empirical findings suggest a causal relationship.


A religion does not necessarily directly promote or prohibit entrepreneurship. Rather, religions teach, promote and propagate cultural value systems within a given society. Value orientations in turn affect propensity
toward entrepreneurial activity. For instance, Methodism accepts disparity between the rich and poor. The wealthy may be charitable, and it can be argued that acquisition of wealth is good in that it allows one to be philanthropic. Asa Chandler, the pharmacist who incorporated The Coca-Cola Company, was a devout Methodist and Sunday school teacher who believed that making money was a form of worship. During the following century, Prime Minister Margaret Thatcher (raised with strict Methodist values) stated ‘I believe in “Judaeo-Christian” values: indeed my whole political philosophy is based on them’ (Thatcher, 1993, p. 509). She emphasized that her political party originated as a Christian party, concerned with the Church and the State in that order, and she stated that religion was the source of a nation’s values.

Candland (2000) viewed faith as social capital and Brammer et al. (2007) found that religious individuals tend to hold broader conceptions concerning the social responsibility of businesses than non-religious individuals. Anderson et al. (2000) suggested that a reduction in church attendances cannot be taken as a direct consequence of a reduction in religiosity.

Regardless of whether a person is religious, it can be argued that one is influenced by cultural values propagated by religions. As suggested by Anderson et al. (2000), it seems reasonable to assume that religion has an impact upon the legitimization of enterprise, despite secularization.

In this article, the author combines three decades of personal studies and a review of the literature to discuss ways in which religion shapes entrepreneurship. Blending a sociological understanding of values, with an anthropological interpretation of culture, it will be suggested that religion is a vehicle to perpetuate both values and culture, thus shaping various forms of entrepreneurship. It will be shown that: (i) various religions value entrepreneurship to different degrees; (ii) different religions yield unlike patterns of entrepreneurship, possibly due to value differences (such as asceticism, frugality and thrift) but also due to specialization (sometimes resulting in a monopoly) and networks; (iii) specialization along religious lines shapes entrepreneurship; (iv) credit networks, employment networks, information networks, and supply networks of co-religionists affect entrepreneurship; (v) religions provide opportunities for entrepreneurship; (vi) religious beliefs may hamper entrepreneurial spirit; and (vii) religions have built-in mechanisms for the perpetuation of values.
VALUES AND CULTURE

Feuerbach (1855) argued that religion included values produced by people in the course of their cultural development. Durkheim (1912) and Thomas and Znaniecki (1918) were among the pioneers who studied the concept of values. David Emile Durkheim, son of Rabbi Moise and Melanie Durkheim of Epinal, is well known for his work *The Elementary Forms of Religious Life* (Durkheim, 1912). In this, he identified a pattern of organization consistent within all human societies; for this pattern, he used the term *Structural Functionalism*. In essence, his theory described society as being built upon order that incorporates interrelationship and balance among various parts of its constitution; he argued that construction and identity of any given society is based on shared norms and values as the basis of existence.

One of two major macro-sociological perspectives, functionalism conceives society as a system of interrelated parts in which no part can be understood in isolation from the whole. A change in any part is seen as leading to a degree of imbalance that changes other parts of the system and at times the system as a whole. Functionalism places a great emphasis on values in terms of the functions they perform in a socio-cultural system. As such, it contrasts directly with the other major macro-sociological perspective, conflict theory.

Sociology as well as anthropology provided early definitions. From a sociological perspective, Thomas and Znaniecki interpreted a value as having an acquired social meaning and, consequently, ‘is or may be an object of activity’ (1918, p. 21). Clyde Kluckhohn provided an anthropological definition of culture as the total life way of a society; he emphasized each culture is formed by values that the people from that culture consider as being normal. He defined a value as, ‘A conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means and ends of action’ (1951, p. 395). Kluckhohn’s theoretical development was published in two famous books, *Mirror for Man* (Kluckhohn, 1949) and *Culture: A Critical Review of Concepts and Definitions* (Kroeber and Kluckhohn, 1952).

Trying to put Clyde’s theory into practice, Clyde’s wife, Florence, studied Indigenous Americans and co-authored with Fred L. Strodtbeck (Kluckhohn and Strodtbeck, 1961). These authors defined value orientations as complex but definitely patterned (rank-ordered) principles, resulting from the transactional interplay of three analytically distinguishable elements of the evaluative process – the cognitive, the affective, and the directive elements.
which give order and direction to the ever-flowing stream of human acts and thoughts as these relate to the solution of ‘common human’ problems. (Kluckhohn and Strodtbeck, 1961, p. 4)

They suggested that cultures can be classified according to five value orientations: time; humanity and the natural environment; relating to other people; motive for behaving; and the nature of human nature. During the same decade, Farmer and Richman suggested that religious beliefs ‘usually have a direct and very significant bearing on the dominant view toward work and achievement’ (1965, p. 157).

Shortly thereafter, Rokeach (1968) defined a value as ‘a type of belief, centrally located within one’s total belief system, about how one ought or ought not to behave, or about some end-state of existence worth or not worth attaining’ (1968, p. 124). Rokeach (1968) considered two sets of values: terminal values and instrumental values. Terminal values are cultural goals to be attained and developed, while instrumental values are the means of achieving the desired goals. Rokeach (1973) provided a new rendition of values and value systems:

A value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. A value system is an enduring organization of beliefs concerning preferable modes of conduct or end-states of existence along a continuum of relative importance. (1973, p. 5; original emphasis)

Hiebert defined culture as ‘the integrated system of learned behaviour patterns, ideas and products characteristic of a society (1976, p. 25)’. Hofstede defined a value as: ‘a broad tendency to prefer certain states of affairs over others’ (2001, p. 5). Relying heavily on culture and values as key constructs, he stated, ‘Values are held by individuals as well as by collectivities; culture presupposes a collectivity’ (Hofstede, 2001, p. 5). Schwartz (1992) focused on a variety of values including: achievement; benevolence; conformity; hedonism; power; security; self-direction; and tradition. Some of these values may be influential in determining the social desirability of entrepreneurship and the nature of entrepreneurial activity.

FINDINGS

1. Various Religions Value Entrepreneurship to Different Degrees

Over the years, numerous empirical studies have reported on the influence of religion on the economy or, more specifically, that some religions
Entrepreneurship and religion are more represented than others in entrepreneurship and/or the small business sector. Classical social theorist Max Weber compared taxation figures in Baden, and reported an average of 589 marks per Catholic, 954 marks per Protestant, and 4000 marks per Jew (Weber, 1904); he argued that while Protestantism stressed the development of economic security, Catholics believed that it was easier for a camel to fit through the eye of a needle than for a wealthy man to go to heaven.3 Weber also studied how religion affected the emergence of entrepreneurship in India; he explained that the Jains, an ascetic religious sect, became a trading sect for purely ritualistic reasons, as only in trading could one practice *ahimsa*, the absolute prohibition of the killing of live things. In contrast, Theravadinism, as practised in Laos, discourages entrepreneurial behaviour and noted that the result is a relative absence of Lao men in entrepreneurial activity (Dana, 1995b).

Shapero wrote, ‘Some cultures that value entrepreneurship are the . . . Jains . . . Jews . . . Mennonites and Mormons . . . ’ (1984, p. 26). Writing about Estonia after its independence from the Russian Empire, Liuhto noted, ‘Another interesting detail from the statistics is the considerable share of the companies classified as Jewish’ (Liuhto, 1996, pp. 319). Analysing the Middle East, after the Second World War, Sayigh (1952) found Christians and Jews to be the prominent entrepreneurs of Lebanon. Gadgil (1959) noted that Muslims, Christians, and Jews were the chief traders of Kerala, in South India. Lasry (1982) noted the percentage of entrepreneurs among Sephardic Jewish immigrants in Montreal as being significantly higher (38 per cent) than among immigrants to Canada, in general. Jenkins (1984) showed that Protestants in Northern Ireland manipulated ethnicity in the realm of economic transactions, and thus dominated the economy in Northern Ireland. In Germany, Klandt found that a Protestant upbringing ‘is more likely to lead to independent business activity than a Catholic upbringing’ (1987, p. 31). In Britain, Quakers have been (Corley, 1998) and continue to be (Ackrill and Hannah, 2001) overrepresented in the realm of enterprise. In the United States, Kraybill and Bowman (2001) and Kraybill and Nolt (1995) identified a causal relationship between religion and self-employment among the Amish.

In a study of attitudes, Guiso et al. noted that ‘with the exception of Buddhists, religious people of all denominations are more inclined to believe that poor people are lazy and lack will power’ (2003, p. 228). Zingales suggested, ‘Buddhism and Christianity seem most conducive to capitalism, and Islam the least’ (2006, p. 228). He elaborated,

Comparing the average response of different religious denominations we find that, other things being equal, Buddhism seems to promote the best attitudes
towards the market system. Christian religions follow . . . Islam appears as the religion least conducive to capitalism. Muslims are very much against competition, against private property and less willing to trade off equality for incentives. (Zingales, 2006, p. 228–9)

In contrast, Badawi suggested,

Islam preaches a holistic and comprehensive notion of development in this world and for the hereafter. It does not negate the pursuit of material development in this world . . . The teachings of Islam are also eminently suited to development in the modern, knowledge-based economy . . . Besides its emphasis on knowledge, Islam also enjoins a work ethic that equips the individual to excel in economic pursuits. (Badawi, 2006, p. 208)

Arslan (2008) tested whether Muslims exhibited some values that corresponded to those encouraged by the Protestant work ethic; using multivariate and univariate analysis of variance, the study found high Protestant work ethic scores among Turkish Sufis.

In a study of Mennonite entrepreneurs in Paraguay, it was found that the Mennonite religion values asceticism, frugality and thrift, but not private property. Entrepreneurship takes a collective form and cooperatives are important economic vehicles, providing jobs for indigenous workers and markets for the produce of self-employed farmers. While Mennonite cooperatives thrive here, Indian cooperatives modelled after them have not had the same levels of success. (Dana and Dana, 2007, p. 82)

In the words of Lewis, ‘If a religion lays stress upon material values, upon thrift and productive investment, upon honesty in commercial relations, upon experimentation and risk-bearing . . . it will be helpful to growth, whereas in so far as it is hostile to these things, it tends to inhibit growth’ (1955, p. 105)

2. Different Religions Yield Unlike Patterns of Entrepreneurship

A contemporary of Weber, Sombart (1911) observed that the economic centre of Europe shifted with the migration of Jews; he linked economic development in Europe to Jewish entrepreneurs.4 Across the Atlantic, William Howard Taft, former president of the United States, suggested that Jews ‘developed trade, poetry, philosophy, science and literature’ (Taft, 1919, p. 7). Taft also gave examples of how Europeans prospered by means of Jews, who ‘were forbidden to hold land. The nobility manufactured the liquor, and they were willing and anxious to have the Jews
Entrepreneurship and religion

sell it, who thus, for lack of other occupation, became the innkeepers, the purveyors in the demoralizing liquor business’ (Taft, 1919, p. 10)

In a landmark study comparing different religious groups in New York City, Glazer and Moynihan noted,

Jews already constitute a majority of those engaged in many businesses . . . In the great banks, insurance companies, public utilities, railroads, and corporate head offices that are located in New York, and in the Wall Street law firms, few Jews are to be found . . . Obviously, in addition to discrimination, one must also reckon with taste and tradition among Jews, which may have had their origin in discrimination, but which may now lead a good number of Jews voluntarily to avoid huge bureaucratic organizations in favour of greater freedom in small companies, as independent entrepreneurs . . . (1963, pp. 147–8)

Iyer noted,

The case of Indian business communities is slightly different from the generalized pattern observed for the rest of Asia, especially in that such business communities have traditionally evolved within specific religions and castes. Moreover, the religion of the Indian merchant community, in contrast to the general strictures on wealth and profits as in other religions (including Asian religions, such as Confucianism), treats money as neutral and does not condemn wealth generation itself. This has important implications in the ways the Indian merchant community assimilates the contradictory objectives of wealth creation and frugality with religious piety that serves to enhance market reputation. (1999, p. 103)

Circumstance led Jews to become merchants in Alsace:

Their religion prevented them from working on Saturday, and the Church forbade them labouring in their fields on Sundays. The Church also banned them from giving employment to Christians. In addition, experience taught the Jews that, in times of religious persecutions, it was more convenient to have moveable assets, such as gold, cattle and later diamonds, than to own immovables . . . By the fourteenth century, Jews no longer had a choice; under the Saxon civil code, *Meißener Rechtsbuch*, Jews were banned from owning land. Yet, in Alsace, this did not lead to urbanisation, because Jews were not allowed to live in the cities. Alsace remained part of the Holy German Empire until being acquired in 1648, by the Kingdom of France. At the time, the French army was facing a shortage of horses, and a lack of animal feed for the horses it had. The Jews of Alsace, with their experience in commerce, efficiently supplied the French with horses and with animal feed. The French offered protection to these people who supplied their army and this led to a mass immigration of Jews from central Europe, to Alsace. (Dana, 2006, p. 589)

Controlling for climate, geographic position and other factors, Baldacchino and Dana (2006) compared entrepreneurship in French St Martin with that in Dutch Sint Maarten, the latter more influenced by
a Protestant work ethic. While two cultures share a little island, colonial influences have been different, and the entrepreneurship sector reflects this. While Dutch St Martin is home to prosperous traders, French St Martin is home to self-employed farmers.

3. Specialization along Religious Lines Shapes Entrepreneurship

In some cases, certain religious groups specialized in specific economic sectors. For two centuries, Quaker entrepreneurs including John Cadbury, Joseph Fry and the Rowntree family, dominated the chocolate industry across England. Cadbury flourished in Birmingham, Fry blossomed in Bristol, and the Rowntrees prospered in York. John Cadbury expanded his business when he invited his brother Benjamin to join him, in 1847; employees were well cared for, in accordance with religious values.

During the mid-nineteenth century, Seventh-day Adventists in the United States – preaching vegetarian values – established the Western Health Reform Institute, later renamed the Battle Creek Sanitarium, in Battle Creek, Michigan. Aligned with the beliefs of Sylvester Graham (the minister who invented the Graham cracker) patients were required to adhere to strict diets. The superintendent was a fervent Seventh-day Adventist, Dr John Harvey Kellogg, who with his brother William Keith Kellogg invented the modern breakfast cereal, in line with their religious beliefs. Kellogg’s thus began with 44 employees in Battle Creek, Michigan. A patient, Charles William Post, founded a competing manufacturer and launched the first nation-wide advertising campaign in the United States. In Australia and New Zealand, the Seventh-day Adventist Church also had connections to the cereal sector; important players included Grain Products and Sanitarium.

In Canada, meanwhile, Methodist entrepreneurs established large department stores. In 1869, Timothy Eaton opened a store introducing fixed prices and cash sales (as opposed to negotiated prices and credit sales) soon expanding into the Eaton’s chain; he introduced the mail order catalogue to Canadians in 1884. Robert Simpson opened his first department store in 1872, and this also developed into a national chain of department stores. Norcliffe (2001) noted that Toronto’s principal bicycle manufacturers, during the late nineteenth century, were owned by Methodists, including the Flavelle, Harris and Massey families.

Fishberg (1911) observed that Jews were concentrated in precarious occupations such as commerce; he suggested that Jews were ‘ambitious and persevering, possessing an enormous amount of “push”, which he cannot always bring into play while struggling against adverse circumstances’ (1911, p. 531). Raphaël (1980) noted the clustering of Jews in the livestock trade in Alsace. Dana wrote,
Still forbidden to own land, deprived of entry into universities, excluded from the guilds and not allowed to reside in cities, these people tended to be travelling merchants, linking the urban and rural economies. In September 1791, Jews were permitted to reside in the cities of Alsace, and this helped them expand their commercial networks. The fathers and elder brothers would carry their loads on backs. This included utensils, candles and soap, as well as animal hides, laces, string and used clothing. Wealthier merchants used man-powered pushcarts. The exceptions were those known as Esselje’dé (donkey-Jews), as they would travel from one village to another with a donkey-drawn cart; they traded kitchenware and other household items, accepting rags and beehives as payment. Livestock merchants constituted a class of their own. Some had a horse-drawn wagon on which two calves could be transported. At the end of the nineteenth century, Jews had a monopoly in cattle dealing in areas of Baden, Bavaria, Hanover, Rhineland and Westphalia. Until the First World War, most independent cattle dealers in Germany (including Alsace) were Jewish. (2006, p. 590)

Based on oral testimonies of retired entrepreneurs and verified by means of triangulation, Dana (2006) provided an account of the livestock distribution system, which prevailed in Alsace, until the Second World War. In this region of traditional rivalry between French and Germans, the sector was dominated by Jewish entrepreneurs speaking Jédich-Daitch, serving as a middleman minority, and dealing between French speakers and German speakers, who did not trade with one another.

In their study of New York City, Glazer and Moynihan found more evidence of clustering:

Merchandising, garment manufacturing, and entertainment maintain their importance, but to them has been added a sizable range of light manufacturing, and real estate and building. In the latter, especially, Jews play a prominent role. In the great office-building boom that has transformed Manhattan, most of the big builders have been Jews: Uris Brothers, Tishman, Erwin Wolfson, Rudin, Webb and Knapp (Zeckendorf). The finest of the postwar office buildings, Seagram’s, which is perhaps the most lavish and expensive in use of space and detail, was erected by a company headed by a Canadian Jewish communal leader, Samuel Bronfman. (Glazer and Moynihan, 1963, p. 151)

Hawley wrote, ‘Amish entrepreneurs tend to cluster heavily in certain small business ventures. This phenomenon can best be described by order of the Ordnung, which requires that the Amish establish only those stores and small businesses that meet the product and service needs of the Amish community’ (1995, p. 320). Dana explained,

In order to maintain their values, the Amish try to avoid close contact with people who do not hold the same traditions. Furthermore, due to religious discrimination in the past, the Amish often exhibit a mistrust of outsiders. The
primary motive of self-employment among the Amish is neither profit nor prestige, but rather the maintenance of cultural values, separately from mainstream society such as to emphasize humility over pride. (2007b, p. 142)

Such segregation, from mainstream society, helps the Amish retain social capital, and this supports Borjas (1992), who analysed ethnic capital and the value of isolation.

An ethnographic study of Morocco noted that some goods were sold only by Jews while others were sold only by Muslims. Silversmiths were invariably Muslim, while goldsmiths were Jewish. Jews were also very active in the spice trade, and they specialised in the socio-economic function of distribution . . . Many Jews were peddlers, or suppliers to other vendors, inland. They served as Barthian middlemen. (Dana and Dana, 2008, p. 215)

4. Credit Networks, Employment Networks, Information Networks and Supply Networks of Co-religionists Affect Entrepreneurship

4.1 Credit networks

Juteau and Paré (1996) refer to credit networks of Jewish entrepreneurs in Canada. Likewise, Dana (2006) noted that Jewish cattle dealers relied heavily on other Jews for financing. Co-religionists provided finance when needed. ‘A network of livestock merchants, across the region, facilitated the dissemination of knowledge and availability of finance among co-religionists. In the event of bankruptcy, an individual was given assistance by other merchants’ (Dana, 2006, p. 594).

Discussing Jewish and Muslim entrepreneurs in Morocco, Dana and Dana noted that ‘Merchandise was often purchased on credit, thereby requiring a relationship of trust between supplier and peddler’ (2008, p. 215). Again, there was often dependence on co-religionists for finance.

In a study of Catholic Hispanics, Galbraith et al. (2004) suggested that a co-ethnic capital market appears to be the last dimension developed within an ethnic community.

4.2 Employment networks
Porter (1937) noted that entrepreneurs were giving preference to members of their immediate circle rather than giving equal opportunity to outsiders. Raistrick (1950) found Quakers to be clannish and nepotistic.
Kraybill and Nolt (1995) observed that Amish entrepreneurs gave preference in business to co-religionists. Dana’s ethnographic study explained the reason behind this: ‘While the Amish people believe that a community of voluntary believers is the context for life, the fundamental unit of Amish society and of their economy is the family . . . home-based enterprises allow family members to work together, reinforcing the Amish family unit’ (2007b, p. 146).

Galbraith et al. (1997) found that successful Hispanic entrepreneurs, often holding important leadership roles in the local Catholic church, were actively finding employment for other recent immigrants.

Galbraith et al. (2003) and Stiles et al. (2007) suggested that Catholic Hispanic and Muslim Arab entrepreneurs are both dependent on co-ethnic business in their respective enclave, relying upon co-religionists for labour, especially at the start-up phase.

In Malaysia, Abdullah (1992) found that Muslim Malays expressed strong preference for employing Muslim candidates over non-Muslims. In a study of Turkish entrepreneurs, Altinay (2008) likewise found a strong relationship between the religion of an entrepreneur and recruitment.

4.3 Information networks

Apart from co-religionist networks that provide credit or preferential treatment for employees, information networks also appear in the literature and these are sometimes comprised of co-religionists. Boissevain and Grotenbreg observed, ‘Hindustanis appear to have a larger network of relatives than do Chinese and Creole businessmen. Given the value they attach to family loyalty, this seems to indicate that Hindustanis have access to a wider information and support network’ (1987, p. 117).

A co-religionist information network existed in Alsace: ‘They managed the link between the rural and urban economies, providing cash for farmers and a source of meat for consumers. In addition, they spread information as required. If one farmer needed a bull, temporarily, for breeding purposes, a livestock merchant could source this need’ (Dana, 2006, p. 590).

There were also individuals who specialised in information:

Some Jews did not themselves deal with livestock, but served as brokers, or informers who simply sold information which would lead to transactions. These entrepreneurs were called Schmüsser, and their commission was referred to as Sassergeld. Operating informally, these individuals mingled with the villagers, identified needs and opportunities and then waited by the side of a road, knowing that livestock merchants would be passing by eventually. The Schmüsser then sold their information to livestock merchants. (The word they used for this activity was vermassere, literally meaning ‘to inform.’) In order
to reduce time spent away from their own villages, the transient merchants preferred to pay for this market research, rather than to conduct this time-consuming task themselves. The Schmüsser thus formed an integral part of the business network. (Dana, 2006, pp. 592–593)

Likewise in his study of 1200 Muslim entrepreneurs in London, Altinay (2008) found a strong relationship between religion and advice-seeking practices. One interviewee stated, ‘If people from the same religion and the background do not help and support each other, who else would do so’ (Altinay, 2008, p. 120). Altinay (2008) found that Muslims who practise their religion rely more on advice from co-ethnics.

4.4 Supply networks
Juteau and Paré (1996) and Lee (1999) found co-ethnic suppliers were prevalent among Jewish entrepreneurs in Canada and in the United States, respectively. Lee (1999) noted that this provided access to lower wholesale costs, which could translate to lower retail costs and enhanced competitiveness.

Galbraith (2007) examined buyers and sellers among two groups: Catholic Hispanics and Muslim Arabs, within a US metropolitan area; he suggested that the perceived advantage of intra-enclave buying and selling lies in a sense of ethnic identification that comes primarily from a religion, either Catholic or Muslim, common to each enclave.

5. Religions Provide Opportunities for Entrepreneurship

Religious values may create needs, and these can sometimes be translated into opportunities for entrepreneurship. When Toronto observed a day of rest and streetcars were prohibited on Sundays while bicycles were permitted, bicycle manufacturers – mostly Methodists – made unprecedented sales (Armstrong and Nelles, 1977). In this case, the observation of religion helped entrepreneurs in the bicycle sector.

The production of religious products also provides opportunities for entrepreneurship. Orthodox icons, for instance, bring profits to dealers as well as to those who make the icons. Likewise, religious dietary requirements can yield profits to entrepreneurs catering to specific needs. Buddhism, Hinduism, Islam, Jainism, and Judaism are among religions that have dietary restrictions, providing opportunities for entrepreneurs and even for airlines catering to such religious needs of observers; this is what Aldrich and Weidenmayer (1993) have referred to as ‘demand side’ entrepreneurship.

In Islam, some food is halal (meaning ‘permissible’ in Arabic), while some is prohibited. All fish with scales (that the Bible approves of as
Entrepreneurship and religion

kashrut (kosher) are halal. The Qur’an specifically disallows the consumption of: all blood; the carcass of an animal that died on its own or that was killed by another animal; donkey meat; fanged predators; and pork. Furthermore, the Hanafi School of Islam does not approve of the eating of shellfish, including clams, crabs, lobster and shrimp; observers also refrain from eating frogs. According to Minkus-McKenna (2007), 70 per cent of Muslims worldwide follow halal food standards, translating into an opportunity worth an annual US$580 billion. Many McDonald’s outlets are serving halal food, in Australia, India, Indonesia, Malaysia, Pakistan, Singapore, South Africa and the United Kingdom. Others to serve halal food, at selected locations, include A&W, Burger King, Dunkin’ Donuts, KFC and Pizza Hut.

The Judaeo-Christian Bible has even more sophisticated guidelines with regards to what may be eaten, and these are outlined in Genesis, and Leviticus and Deuteronomy. The King James Bible states, ‘Ye shall therefore put difference between clean beasts and unclean, and between unclean fowls and clean: and ye shall not make your souls abominable by beast, or by fowl, or by any manner of living thing that creepeth on the ground, which I have separated from you as unclean’ (Leviticus 20:25). Leviticus 3:17 prohibits observers from eating blood or fat. Leviticus 22:8 elaborates, ‘That which dieth of itself, or is torn with beasts, he shall not eat to defile himself therewith: I am the LORD (King James Bible)’. This is understood to mean that it is not kosher to eat food from animals that die themselves or that are killed by another animal. Leviticus also provides details as to what species the Bible allows observers to eat or not. It is not permitted to eat camel, ‘he is unclean unto you’ (Leviticus 11:4). The hare (Leviticus 11:6); pork (Leviticus 11:7); eagles (Leviticus 11:13); vultures (Leviticus 11:14); ravens (Leviticus 11:15); owls (Leviticus 11:16); cormorants (Leviticus 11:17); swans, pelican and eagles (Leviticus 11:18) are specified as not allowed. The same is true of the stork, the heron and the bat (Leviticus 11:19). Leviticus 11:29 states, ‘These also shall be unclean unto you among the creeping things that creep upon the earth; the weasel, and the mouse, and the tortoise after his kind’. Leviticus 11:30 adds, ‘And the ferret, and the chameleon, and the lizard, and the snail, and the mole’. It is not allowed to eat scavengers and predators; for this reason, observers refrain from eating catfish, clams, lobsters, oysters and shrimp.

The result of Biblical commandments specifying food laws is a lucrative niche market providing kosher products. Rosen (2008) noted that in North America alone kosher products are a US$14 billion a year business; she quoted Chaim Goldberg saying, ‘There’s no question that kosher is growing . . . As the world is getting more global, manufacturers . . . see kosher as a very easy way to market their product’ (Rosen, 2008, p. 105).
Based in Fair Haven, Newfoundland, Neptune Sea Products is a kosher-sanctioned secondary fish-processing plant; it produces 200 different products, including Cajun cod and wasabi salmon. According to Rosen (2008), sales for the first year of this new venture were estimated to top $2 million. Rosen interviewed the entrepreneur behind Neptune Sea Products and he explained, ‘We only use fish that have fins and scales . . . The other main thing is, my employees can’t bring in ham sandwiches for lunch’ (Rosen, 2008, p. 106).

Fifteen minutes down the road from Neptune Sea Products is the Rodrigues Winery, a family business in Markland. This is the first winery in Newfoundland and the first kosher and sulphite-free winery in Canada, producing wines from local blueberries, cloudberrries, cranberries, raspberries and strawberries. Exports are shipped as far away as Japan.

6. Religious Beliefs May Hamper Entrepreneurial Spirit

Buddhism emphasizes the afterlife, and it has been suggested that Buddhists are not focused on entrepreneurial activity (Cousins, 1996). This is especially so among Theravada Buddhists. Lewis wrote, ‘Where Theravada Buddhism is the backbone of social and cultural values . . . it may have a restraining effect on the accumulation of wealth and the rise of an entrepreneurial class’ (1955, p. 105). Over half a century later, Theravada monks are still highly influential in Lao society.

As discussed by Dana (1995b), Theravada monks have traditionally had a great impact on the educational system in Laos; in former times, the only schools were in wats, and they are still consulted on virtually all matters, thereby playing an important role in a diversity of spheres, ranging from private life to government policy. This is elaborated upon in detail in Dana (2007a). Central to Theravada beliefs is the ultimate goal to extinguish unsatisfied desires. Its doctrine focuses on aspects of existence, including dukkha (suffering from unsatisfied desire), and anicca (impermanence). Assuming that unsatisfied desires cause suffering, then suffering can be eliminated if its cause (desire) is eliminated. A respectable person, then, according to this ideology, should not work towards the satisfaction of materialistic desires, but should, rather, strive to eliminate the desire itself. A monk, for instance, is specifically prohibited by the religion from tilling fields or raising animals.

Lao folk tales reinforce the belief that a male monk should not labour for material wealth; yet the same folklore conditions women to accept a heavy burden in exchange for honour, protection and security. Even the Lao currency portrays agricultural work being done by women. Numerous
Lao families who farm during the wet season become self-employed gold-diggers during the dry season. Prospectors camp along the Mekong River, especially in the region of Luang Prabang. The women do the heaviest work, digging for dirt and panning it in wooden trays. The men weigh the gold, up to one gram per day.

Writing about the former Kingdom of Modavia, Dana (2005, p. 223) observed,

Orthodoxy in this kingdom emphasized the respect of authority, along with the importance of guilt. A good Moldavian was expected to obey the religion and work the land. A non-mercantile culture did nothing to encourage the development of entrepreneurship. In 1812, when the kingdom lost Bessarabia to Russia, the tsar’s feudal system continued to meet non-conformity with punishment.

Rafiq (1992) suggested that Islam constitutes a barrier to capital access, due to the religious prohibition on interest payments. Metcalf et al. (1996) concluded that Pakistanis were less successful than Indians in self-employment because they were Muslim.

Finally, a religion may encourage entrepreneurship in the broad sense but limit the sectors in which entrepreneurship takes place. Jainism encourages entrepreneurship in trade, but does not allow self-employment in agriculture (Iyer, 2004; Nevaskar, 1971). Adherence to this religion thus limits avenues for self-employment, because of its strict pacifism (Iyer, 1999; Nevaskar, 1971).

7. Religions Have Built-in Mechanisms for the Perpetuation of Values

In Jain communities where business and family overlap, a merchant’s family and community status is linked to optimal marriage (Bayly, 1983). Marriage takes place among co-religionists and within boundaries, and values are propagated from one generation to the next.

Dana noted co-religionist matchmaking that allowed the perpetuation of religious values:

Travel was intrinsic to their livelihood and during business trips these frequent travellers would pray, and eat, with co-religionists, and sleep at their homes. The religious duty of allowing animals to rest on the Sabbath (from sunset on Friday until dusk on Saturday) made it impossible to travel with livestock during this time of rest. Therefore, business trips were often extended due to religious obligations, and considerable time was spent with the families of other merchants. During this time, matchmaking was a common occurrence, as the son of a merchant fancied the daughter of another. The co-religionists shared the same language, holidays, belief system and dietary restrictions. All this, in turn, reinforced social networking among this ethnic minority. (2006, p. 589)
Likewise, in a study of Amish entrepreneurship, Dana noted how values – as well as skills – are passed on from one generation to the next:

From a very young age, Amish children develop a close relationship with their parents. Parents spend almost all of their time with their children, teaching them Amish cultural values. It is not from formal education in school, but rather from their parents that children learn to become self-sufficient in life. Amish boys normally learn a variety of skills on their father’s farm. This typically includes cabinetry, carpentry, furniture-making and masonry . . . Most importantly for the Amish, each generation transmits cultural values to the next. This includes asceticism, frugality and thrift . . . Children thus become predisposed towards self-employment, as parents guide them along an almost pre-determined road in life. The young are not encouraged to explore such as to discover themselves, but rather to fit into Amish society, and to feel needed within it. Often, a son learns his trade from his father. Even when a son does not adopt the same profession as his father, it is practical to learn as many manual skills as possible. A son becomes the apprentice of his father at a very young age. Not only does a son learn how to work, but also more importantly according to Amish tradition, he is conditioned into accepting the Amish belief that work is healthy and enjoyable. (2007b, pp. 148–9)

For the Amish – as is the case among some other religious groups – marrying outside the faith is shunned. ‘If an Amish woman wants to marry an outsider, she must leave the community, unless he joins Amish society. A deterrent to her leaving is that she is unprepared for secular society, while a stumbling block in the attempt to become Amish is the dialect’ (Dana, 2007b, p. 149).

Likewise, but to different degrees, intermarriage is discouraged by other religions. In a study of comparing Indian entrepreneurs in Singapore and their counterparts in the United Kingdom, Hamilton et al. (2008) found that in both countries, most respondents would not allow their children to marry outside the faith.

TOWARD THE FUTURE

In a study of mixed marriages and separation, Monahan and Kephart (1954) showed that Jewish families broke up less than non-Jewish ones. Presumably this allowed values to be reinforced and to be passed on from one generation to the next. As society becomes increasingly tolerant of mixed marriages, what will happen to values in the future?

Glazer and Moynihan (1963) found no evidence of convergence among different religions.
Thus, a Jewish ethos and a Catholic ethos emerge: they are more strongly affected by a specific religious doctrine in the Catholic case than in the Jewish, but neither is purely the expression of the spirit of a religion... The important fact is that the differences in values and attitudes between the two groups do not, in general, become smaller with time. On the contrary: there is probably a wider gap between Jews and Catholics in New York today than in the days of Al Smith. (Glazer and Moynihan, 1963, pp. 298–9)

Is this still true almost five decades later?

Linking entrepreneurship to values offers endless possibilities for future research, whether or not these values are promoted by a religion. Some of Rokeach’s (1973) values may impact entrepreneurship, and empirical investigation of this could present interesting research opportunities. Amish entrepreneurs value religion over prosperity, but might Rokeach’s terminal value of a prosperous life lead to an entrepreneurial start-up? Could it be hypothesized that one who values freedom (independence, free choice) as per Rokeach (1973) might choose to become an entrepreneur?

Likewise, it could be empirically tested whether entrepreneurs exhibit some of Rokeach’s (1973) instrumental values. Might there be a relationship between Rokeach’s instrumental value of ambition (hard-working, aspiring) and successful entrepreneurship? Does entrepreneurship involve being broadminded (open-minded); capable (competent, effective); or courageous? Examining Rokeach’s instrumental value of self-control, might this be linked to Weber’s (1930) values of asceticism, frugality and thrift?

FINAL WORDS

Sociologist Max Weber suggested that asceticism, frugality and thrift (Weber, 1930) were values that encourage successful entrepreneurship; these are perhaps necessary but insufficient. I would add that context is important. Mennonites value asceticism, frugality and thrift, but Old Colony Mennonites have traditionally been opposed to the concept of private property. Hence, among Mennonites, individual entrepreneurs are not flagships of entrepreneurship; instead, entrepreneurial activities take a collective form, as described by Dana and Dana (2007). Indeed, different religions yield unlike patterns of entrepreneurship.

This chapter discussed several observable patterns: (i) various religions value entrepreneurship to different degrees; (ii) different religions yield unlike patterns of entrepreneurship, possibly due to value differences (such as asceticism, frugality and thrift) but also due to specialization (sometimes resulting in a monopoly) and networks; (iii) specialization along religious lines shapes entrepreneurship; (iv) credit networks, employment networks,
information networks, and supply networks of co-religionists affect entrepreneurship; (v) religions provide opportunities for entrepreneurship; (vi) religious beliefs may hamper entrepreneurial spirit; and (vii) religions have built-in mechanisms for the perpetuation of values.

Learning about religions, it is evident that each has a set of values. Respect must be paid to the distinctiveness and differences of all.

NOTES

* This chapter is reprinted with permission from *The International Journal of Entrepreneurship and Innovation*, 10 (2), 2009, 87–99. Copyright © 2009 IP Publishing Ltd.

1. The author thanks Professor Ivan Light (UCLA) for interesting discussions leading to this article. The author also thanks the following for comments on preliminary drafts: Dr Garth Cant (University of Canterbury); Dr Sarah Drakopoulou-Dodd (Athens Laboratory of Business Administration Graduate Business School and Robert Gordon University); Professor Gopalkrishnan R. Iyer (Florida Atlantic University); and Professor Richard W. Wright (UCLA).

2. See Young (1991) and Young and Sloman (1986).

3. This is based on Matthew 19:23–4.

4. Rath and Kloosterman (2003) revisited this theme. They noted that ‘The arrival of Jews from the Iberian Peninsula in the sixteenth century and later from Eastern Europe, and of Roman Catholics from Westphalia throughout the nineteenth century, greatly influenced the Dutch economic landscape as their business acumen enhanced the nation’s economic and cultural wealth’ (pp. 123–4).

5. Today, Grahams are manufactured by Nabisco and certified as Kosher by the Union of Orthodox Rabbis.

6. Altinay (2008) distinguished among religious Muslims and secular Muslims. Other studies have treated Muslims as a homogenous group, and did not distinguish between religious and non-practising individuals (see Basu and Altinay, 2002; Dana and Dana, 2008; Metcalf et al., 1996; and Rafiq, 1992).

REFERENCES


Becker, Howard (1956), Man in Reciprocity, New York: Praeger.

Leo-Paul Dana - 9781849806329
Downloaded from Elgar Online at 04/15/2019 06:15:17AM via free access


Glazer, Nathan and Daniel Patrick Moynihan (1963), *Beyond the Melting Pot:
Entrepreneurship and religion

The Negroes, Puerto Ricans, Italians and Irish of New York City, Boston, MA: MIT.


Rosen, Amy (2008), ‘Kosher Quality: A Rabbi, a Newfoundland and a Fish Walk into a Bar . . .’, *enRoute*, (November), 105–08.


Sombart, Werner (1911), *Die Juden und das Wirtschaftsleben*, Leipzig: Duncker und Humblot.


