

**Networks, [Mis]trust, and Pentecostal Conversion:
Narratives of Divergent Pathways
Among Small Black Entrepreneurs in Tshwane**

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Abstract

This thesis is an exploration of the cultural meanings, practices, and discourse that impinge upon the workings of social capital and trust among small black entrepreneurs. Entrepreneurs need to draw on social networks to get advice and resources to launch and manage a business. The contacts that lead to successful outcomes are their social capital and they are a key component of entrepreneurial networks. Structural economic sociologists tend to emphasise ‘structural holes,’ whereby a social actor who is in a position to bridge two actors with no direct ties to each other can parlay control over information into strategic advantage. Recent sociological literature highlights questions of meaning in networks and brings to the fore concerns with the larger cultural framework within which social networks are embedded. Relational economic sociologists contend that networks can be understood as composed of culturally constituted processes. Studies on the networks of South African entrepreneurs are few and far between, and they seem to suggest that African entrepreneurs don’t mobilise social capital as well as their Indian and white counterparts. The research used qualitative approaches, relying on a combination of in-depth open-ended unstructured interviews and prolonged ethnographic immersion which generated rich understandings of entrepreneurs’ lived experiences, subjective meanings, and contexts. The findings underscore the cultural contingency of social ties and network structure, suggesting that an entrepreneur’s proneness to join particular types of associations and networks, and their ability to generate particular types of social ties and generalised trust has something to do with a range of cultural contingencies. The research devoted special attention to the cultural contingency of religion, bringing to light the entrepreneurial consequences of Pentecostal conversion. These intersect with, and extend far beyond, the networks of small black entrepreneurs, affecting issues at the very heart of entrepreneurship such as risk taking and proactiveness. I borrow the concept of ‘cultural holes’ to illustrate the contingencies of meaning that shape the networks and the entrepreneurial orientation of small black entrepreneurs and, ultimately, drive their divergent entrepreneurial trajectories. Finally, the study adumbrates a typology of small black entrepreneurs, arguing for the possibility that multiple cultural contingencies may open up alternate understandings of entrepreneurship.

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Prologue

Kgomotso owns a dress-making business in the township of Hammanskraal, which was started in 1991 when her father gifted her with a sewing machine. Today she has four sewing units but does not employ any full-time worker, relying instead on the help provided by dress-making trainees who at any given time attend the year-long courses she offers. After 20 years in business, Kgomotso remains a “survivalist” entrepreneur. She makes a small profit but the business is essentially stagnant, even though it is run from the premises of a small industry park. “When I have money,” she explains, “I just take money for transport, for phone, for the children, for stock, for rent (business premises), and for me. Also I put aside R100 or R200 to deposit in the bank, if and when there’s money, that is.” She often supports the extended family, as well. “I have to share my [business] money with others. This is what has been holding me back for the last 20 years.” Kgomotso’s social ties gravitate towards the 100-strong family society and the ZCC (Zion Christian Church) communal network, which are barely useful for her business.

Lerato, from a neighbouring township, is an award-winning woman entrepreneur who started a traditional crafts manufacturing shop in 2003. She employs two full-time workers and has been expanding her footprint, selling some of her wares at a major supermarket chain. Also a member of the ZCC, Lerato’s extended kin ties are weak. In contrast to Kgomotso, she maintains an extensive network of business, government and personal relationships which she draws upon to grow her business.

Lebogang owns a micro garment-producing unit in Hammanskraal with three full-time workers. School uniforms are the mainstay of her production, which she supplies to a handful of local schools. Since converting to Pentecostalism in 1996, Lebogang’s extended family ties have all but dissolved. She skirts local community groups, and invests her energies in building a network of loose ties mostly geared towards the instrumental ends of her business. She is the recipient of an entrepreneurship award and exudes a remarkable sense of personal agency.

Both Kgomotso and Lebogang frequently invoke their faith to legitimise and define their entrepreneurial orientation. Kgomotso: “ZCC members are not after money. Serving the family and the community is more important than individual prosperity.” Lebogang:

“Without my born-again faith I would not have survived all the trials and tribulations of the last two years. But now I’m an entrepreneur. I have capital!”

How to make sense of the divergent entrepreneurial profiles of these three entrepreneurs with similar demographics and historic-cultural background? Why is it that some small black¹ entrepreneurs find themselves locked into mostly ascriptive associations of kin and communal solidarity while others opt for broader networks of external ties useful for their business?

Entrepreneurs require information, capital, skills, and labour to start business activities. While they may hold some of these resources themselves, they often need to draw on social networks to get advice and resources to launch and manage a business (Nieman and Nieuwenhuizen, 2009). The contacts that lead to successful outcomes are their *social capital* and they are a key component of entrepreneurial networks. This definition of entrepreneurial networks emphasises the bias towards bridging type of social capital common among structural economic sociologists and business and entrepreneurship scholars. A social actor who is in a position to bridge two actors with no direct ties to each other – a ‘structural hole’ – can parlay control over information into strategic advantage (Burt, 1992; 2000a).

Structuralist conceptions de-emphasise questions of meaning in networks, thereby devaluing concern with the larger cultural framework within which social networks are embedded (Krippner and Alvarez, 2007; Fuhse, 2009). These approaches tend to focus on network properties such as the number of people that the entrepreneurs turn to when they discuss aspects of establishing and running a business, position and structure. It is claimed that entrepreneurs in diverse cultural settings access their social relations in similar ways to get resources and discuss aspects of establishing a business (Greve and Salaff, 2003:16).

Structural approaches contend that as entrepreneurs build social networks, “cultural differences do not play a major role in networking” (Greve and Salaff, 2003:17).

Structural holes theory, and indeed much entrepreneurship research for that matter, has focused almost exclusively on entrepreneurs and firms in advanced economies. As a result, the setting today can be summarised as what is known from the world’s developed economies

¹ According to the terminology common in South Africa, (following the anti-apartheid political usage of the term) black encompasses everyone excluded from the privileged white category under apartheid whereas African denotes black African-language speakers such as Sotho, Tswana. In this thesis, I use black as shorthand for black African, a term that reflected popular usage among my research participants.

may not readily apply to entrepreneurship in emerging economies (Bruton et al, 2008). Structural holes may be social capital for entrepreneurs and individuals in contexts that operate on the market-competition and individualistic model. However, in contexts with strong norms of co-operation and effective sanctions for self-seeking, opportunistic behaviours, structural holes do not always provide the benefits that Burt hypothesised. In fact, they can actually become a liability to business advancement (Xiao and Tsui, 2007:23).

For its part, a large majority of the literature on emerging economy entrepreneurship is from a strategic perspective, with studies often still answering the “what” question either by testing established theories using emerging economy samples or by describing how an emerging economy entrepreneurship phenomenon differs from a mature economy. There are few studies that go beyond basic comparisons by asking the “why” and “how” questions to advance theory development (Zahra, 2007). Calls have mounted for future research to look more deeply into the issue of how culturally bound entrepreneurial behaviour is so that insights on theory can be generated to expand the understanding of emerging economy entrepreneurship or to generate new theory (Zahra, 2007). For example, entrepreneurial theories today include assumptions such as profit maximisation and self-interest maximisation. However, this may not be universally true in all emerging economies. As will become apparent from our discussion of Kgomotso’s story, the values and motivations in some emerging economies include an emphasis on the welfare of others, maintaining the status quo, maintaining networks and relationships which may change the implications of assumptions an individual makes on profit maximisation and self-interest maximisation (Bruton et al, 2008:8).

In this connection, over the last few years the cultural turn in network analysis, also known as relational sociology has brought to the fore the importance of contextual factors in the analysis of social networks and social capital. Symbolic and cultural contingencies such as norms and beliefs now figure in the analysis of social capital not only because they function as sources of social capital but also because the norms and beliefs in the surrounding environment influence the value of a given stock of social capital. (Adler and Kwon, 2002:33). Recent scholarship suggests that “if and when structural holes work is fundamentally culturally contingent” (Pachucki and Breiger, 2010:216). There is evidence that what makes structural holes work or fail strategically is the culturally contingent behaviour of actors, at levels ranging from interpersonal, to cross-national, to intra-organisational.

In a very broad sense, the motivation for this thesis stems from my general interest in the relationship between social-economic change and culture, at the root of which my fascination with Weber's *The Protestant Ethic* surely looms large. As a development practitioner I have had opportunities to explore cultural beliefs and practices associated with health-seeking behaviour and gender equity. In particular, my last experience promoting micro-finance for income generating projects targeting rural self-help groups spawned a direct interest in the cultural underpinnings of the interface between indigenous forms of social capital and external, donor-driven support networks.

It is a well-known fact that the state of entrepreneurship and small business development in South Africa presents a picture of underperformance relative to other countries at similar levels of development. For example, according to the Global Entrepreneurship Monitor (GEM) in 2009 South Africa ranked 35th out of 54 countries, with a TEA rate² of 5.9 percent, which is significantly lower than the average for all efficiency-driven economies (11.2 percent) as well as the average for all middle to low income countries (14.8 percent) (Herrington et al, 2010). In terms of established business activity South Africa ranked last out of the 53 countries, with an established business rate of only 1.4 percent. The average for all GEM countries is 7.7 percent while that for all efficiency-driven countries is 7.9 percent – almost six times the rate for South Africa.

GEM has called for urgent research in South Africa in order to address the “burning issues” facing the field (Maas and Herrington, 2006:62). Symptomatically, GEM recommends research, inter alia, on how society's values, norms and beliefs can be positively influenced towards entrepreneurship. The recommendation states that “specific cultures should be investigated in terms of entrepreneurship and what can be done to enhance entrepreneurship *without changing cultures* (Maas and Herrington, 2006:74, emphasis added).

There is a dearth of studies on entrepreneurship in South Africa from a sociological perspective. I found the available literature was almost silent about the import of cultural values, norms, and religion in shaping individual and organisational behaviour, including entrepreneurship. Coming from a management background, Boris Urban (2005; 2007) is

² The primary measure of entrepreneurship used by GEM is the Total Early-stage Entrepreneurial Activity (TEA) index. TEA indicates the prevalence of business start-ups (or nascent entrepreneurs) and new firms in the adult (18 to 64 years of age) population – in other words, it captures the level of dynamic entrepreneurial activity in a country (Maas and Herrington, 2006).

perhaps at the forefront of management scholars that attempt to integrate cultural values into the entrepreneurship equation. In his initial effort, Urban (2005) studied 150 MBA students and concluded that “no support was found for the effect of any of the cultural values on entrepreneurial intentions.” Eventually, acknowledging low entrepreneurial activity despite South Africa’s apparent favourable regulatory environment, Urban (2007) set out to examine the interplay between culture, self, context and entrepreneurship. Based on a comprehensive meta-analysis of different streams of literature, he developed a conceptual framework encompassing the interaction of contextual, cognitive, and behavioural variables of entrepreneurship. He concluded that culture and beliefs act as catalysts rather than causal agents of entrepreneurial outcomes, suggesting that these antecedents need to be fostered to encourage increased entrepreneurship within a favourable environmental setting.

Godsell (1991) pioneered the study of entrepreneurship from a network perspective in South Africa. In her study of four ethnic groups, she found that although both Indian and African entrepreneurs were victims of discriminatory legislation, the Indian entrepreneurs were able to utilise resources provided by family and the community, which included the local, national and international networks. Among the African entrepreneurs very few networks were found, which was ascribed to the low status of small business in the community. A further explanation for this lack of networks was the perception that traditionally African entrepreneurs have had very few entrepreneurial role models (cited in Mitchell, 2003:50).

In his Kwazulu-Natal survey Mitchell (2003; 2004) pointed to the distinct ways in which different cultural groups access social capital, with black entrepreneurs apparently less adept at mobilising social capital. This study corroborates Godsell’s findings, namely that the Indian and White entrepreneurs tended to have a wider range of networks than the African entrepreneurs, although they spent less time establishing their networks. Unfortunately the survey design and an otherwise legitimate focus on institutional constraints made it impossible to shed light on the how and why questions in respect of differential networking patterns.

Sociologist Vibha Pingle (2001) offers one of the rarest studies examining the relationship between patterns of social capital, specifically associational membership, and the success of small black entrepreneurs in South Africa. Associational ties are understood in a historical, institutional, and cultural context, with the identity landscapes of urban women, leading them to join ascriptive and communal associations, and steering them away from joining formal

trade associations, which leaves most urban women with few networks useful for their business' success.

This thesis builds on and expands Pingle's line of research, exploring the intersections of networks, cultural meanings and religion. Specifically, it unpacks the cultural contingencies associated with network patterns and social capital, including the shifty nature of trust and mistrust among small black entrepreneurs. As well, the contingent effects of Pentecostal conversion merit special attention as they extend beyond the scope of networks and social capital to encompass overall entrepreneurial dynamics. The study therefore falls under the conceptual remit of two sub-disciplines, viz. economic sociology and sociology of religion. As Young suggests (cited in Brown, 2009:8), in postcolonial contexts "the most productive forms of thought [are] those that interact freely across disciplines and cultures in constructive dialogues."

The main focus of the research was framed in terms of an overarching theme as encapsulated in the following quote by one of my principal gatekeepers, which reverberated throughout the fieldwork: "We black entrepreneurs live together but work separately, [unlike our white counterparts who live apart but work together]." Unpacking this general theme necessitated answering the following interrelated questions:

- 1) What are the social and business networks of small black entrepreneurs? In particular, what are their social capital profiles and how are these uniquely shaped by specific cultural contingencies?
- 2) Why is there so much mistrust among small black entrepreneurs to the extent that they tend to work separately?

Under the remit of sociology of religion, the thesis sought to answer the following questions:

- 3) In what ways and why do small black Pentecostal entrepreneurs differ from their non-Pentecostal counterparts with respect to patterns of social capital and trust?
- 4) How does Pentecostal conversion influence the overall entrepreneurial orientation of small black entrepreneurs?

To address these questions I turned to Tshwane (Pretoria), South Africa's capital city, and to Hammanskraal, an outlying township in its North East Region with a strong interface with nearby rural communities. To anticipate the general tenor of the argument, this thesis shows multiple lines of evidence suggesting that an entrepreneur's proneness to join particular types

of associations and networks, and their ability to generate particular types of social ties and generalised trust have something to do with the cultural context. A range of cultural contingencies are explored in this regard. Religion, specifically Pentecostal conversion, emerges as a powerful cultural contingency, with Pentecostal entrepreneurs gravitating towards modern networks of accumulation, and denoting a sense of heightened agency, entrepreneurial risk taking and proactiveness.

Belying the messy, non-linear reality of the interpretive research approach used here, whereby key theoretical concepts along with relevant literature were guided by the emerging thematic analysis, for the sake of comprehensibility I will employ the more traditional presentational format. The thesis will therefore proceed as follows:

In Chapter One, I situate myself theoretically by giving a brief overview of the sociological literature in relation to structural approaches to network analysis as well as a synopsis of the cardinal tenets of relational sociology, also known as the cultural turn in network analysis. The chapter ends with a cursory review of extant development theory, showing how the human development approach to culture and relational sociology share important points of similitude. Chapter Two summarises the theoretical and empirical literature in respect of the sociology of Pentecostalism and its impact on socio-economic development. Also examined in Chapter Two are the implications of the cultural turn for the study of religion, dominated as it is by neo-Weberian approaches. In Chapter Three, I position myself epistemologically, offer a rationale for the qualitative design of the study, and describe the methodological procedures employed. Two chapters are dedicated to my research findings. Chapter Four discusses the network patterns and social capital profiles of small black entrepreneurs, and offers an exploratory account of the cultural underpinnings thereof. The chapter delves into the workings of trust and mistrust, explicating a range of cultural meanings at the heart of the morbid lack of co-operation among small black entrepreneurs. Chapter Five provides an opportunity to elaborate on the ways in which Pentecostal entrepreneurs tend to diverge from their non-Pentecostal peers not only in terms of network patterns and social capital profiles, but also with respect to an array of critical dimensions of entrepreneurial orientation. Lastly, in Chapter Six we integrate and summarise the key findings of the study. We consider some theoretical implications by arguing for the appreciation of multiple pathways to entrepreneurship and adumbrating a preliminary typology of small black entrepreneurs. The chapter concludes with a note on possible implications for practice and future research.

Chapter One

Situating Myself Theoretically: Embeddedness, Networks and Culture

Introduction

The goal of the present chapter is to provide a theoretical background and framework for this study, which focused on the social networks of small black entrepreneurs, with particular reference to social capital and trust, and the significance of Pentecostal conversion for entrepreneurship. With the study thereby spanning two subfields in the discipline, viz. economic sociology and sociology of religion, this chapter introduces the reader to key theoretical debates in structural and relational economic sociologies, respectively, with the next chapter exploring the salience of religion, specifically Pentecostalism, for socio-economic development in general.

A caveat is in order. To some extent I decided against writing the standard “Chapter 2: Literature Review” for two reasons. First of all, I was eager to avoid plonking down the obligatory, if boring, list of what I was “supposed” to cite, lest it might block the reader from getting to, and contrasting it with, the new ideas presented later. Instead my plan is to introduce much of the substantive literature in conjunction with the emerging themes, as I motivate, present and discuss my findings in the respective chapters. Secondly, I was confronted with a dilemma in respect of the first strand of enquiry. Considering that a conventional literature review chapter must provide the theoretical framework that serves both as a data collection guide and an analytical frame of reference, I found myself struggling to make sense of my findings using solely the theoretical lenses of the “literature review,” which was largely predicated on the social embeddedness paradigm of the “New Economic Sociology.” The latter had become superannuated, as it were, and inadequate to conceptually frame the unfolding cultural narratives of social capital and trust among small black entrepreneurs in Tshwane.

My solution to this dilemma rested in making the distinction that “situating myself theoretically” within the broader academic conversations most relevant to the present study included articulating two interrelated components. One would be the *a priori* theoretical

background in the guise of the embeddedness paradigm, under whose conceptual banner my initial data collection was partially guided. The other component would be construed as the theoretical *framework*, that is to say, the relational sociology framework that I “discovered” and adopted at a later stage, which informed most of my analytical strategy. Making this distinction between “what I saw” initially using the embeddedness approach and “how I made sense of what I saw” using a relational framework was essential not only for convenience of exposition, but also for documenting the evolution of my own thinking as the research unfolded.

The social embeddedness paradigm

Any economic sociology worth its salt must begin by referencing Granovetter’s social embeddedness project and its account of how social structure affects the economic behaviour of individual entrepreneurs. Thus, the chapter starts with a critical overview of the so-called new economic sociology, which provided the theoretical background to the initial enquiry into the networks of small black entrepreneurs. In the subsequent section I introduce the reader to and dwell on the contemporary debates of relational (economic) sociology as the theoretical framework that ultimately guided my analysis. This is followed by a cursory review of extant development theory, highlighting specifically the important ways in which the human development approach to culture and relational sociology converge. In a nutshell, the relational turn in economic sociology foregrounds the cultural contingency of networks with vast theoretical and methodological implications for the analysis of the research questions implicit in the pervasive narrative that “We black entrepreneurs live together but work separately.”

Granovetter’s economic sociology

Two of the most influential concepts in social science over the past two decades have been ‘social embeddedness’ and ‘social capital’. The idea that economic activity is ‘socially embedded’ has received widespread attention since the publication of Mark Granovetter’s seminal essay on ‘Economic Action and Social Structure: The Problem of Embeddedness,’ which was hailed as a landmark in the rise of what is known as the new economic sociology (Swedberg, 2003:33–37; Lewis and Chamlee-Wright, 2008). For Granovetter, the term ‘social embeddedness’ refers to the fact that people are social beings whose attributes and actions are conditioned by their location within networks of ‘concrete, ongoing personal relations’ (Granovetter, 1985:490). These personal relations are significant for two main

reasons: the first concerns the motives that drive people's actions; the second pertains to the resources (such as information) that flow through them.

Granovetter argues that the motives that drive people's current interactions with one another are conditioned by the personal relations to which their past dealings gave rise. In social interaction, people have mixtures of motives and consequently act in ways difficult to describe in terms of pure self-interest. Sociology has expanded on this point by considering how particular *kinds* of social relations make behaviour diverge from the narrowly instrumental. To cut through a vast theoretical underbrush, Granovetter distinguishes here between horizontal and vertical relations, and their impact on this divergence. Analysis of horizontal (non-hierarchical) relations leads to discussions of "trust" or "solidarity" – states of relationships or groups that lead to cooperation beyond that to be expected from decision dilemmas such as the "free-rider problem." Vertical (hierarchical) ties are defined by a quality of these relations referred to as "power," to be distinguished from solidarity or trust. The behavioural consequences of power are domination and compliance; these are parallel to cooperation, the behavioural consequence of trust or solidarity (Granovetter, 2001). Thus, for instance, relations of trust may develop between people who have dealt honestly with each other in the past. The key point about such relations, Granovetter argues, is that they generate obligations and standards of behaviour (such as norms of reciprocity) the motivational force of which can induce people to depart from the instrumentally rational and opportunistic forms of action emphasised by rational choice theory in favour of more cooperative modes of conduct that involve them subordinating the pursuit of their own self-interest to social norms and rules that encourage the attainment of collective goals and the common good (Granovetter, 1985; 2001; 2007).

The problem with rational choice theory, Granovetter argues, is that they postulate an under-socialised model of man, whose attributes are fixed independently of the relations into which s/he enters, and so ignore how people's participation in social networks can give rise to alternative sources of motivation that can dissuade them from opportunistically pursuing their self-interest (Granovetter 1985:490, 504; 1992b:4). The relationship rather than the individual was the main element of study, and the overall structure of social networks was important in a way that could never be captured by understanding the motives of individuals (Granovetter, 2007). On this view, researchers need to focus less on (orthodox) economic analyses of the behaviour of isolated, atomistic Robinson Crusoes and more on sociological approaches that

consider how people's actions are shaped by, and in turn shape, networks of social relations (Granovetter, 1985:504–07; 1999:160–02; Lewis and Chamlee-Wright, 2008).

Secondly, insofar as larger network, institutional, cultural or historical trends determine action driven by interests as well as that driven by trust or power, social networks also facilitate the flow of resources, such as the diffusion of information (Granovetter, 2001; 2007). Thus, while cooperation or compliance depends strongly on particular interpersonal relations and their history, it also depends on the overall configuration of social networks in which people are situated. One celebrated example is Granovetter's (1973) work on the "strength of weak ties," which concerns well-defined, cohesive groups connected to one another, if at all, by weak ties between members of different groups. According to Granovetter (1973; 2001), from a strategic point of view, an individual is more likely to acquire information – about the availability of a job, for example – if the interpersonal ties that connect the group of people with whom s/he interacts are 'weak' – in the sense that the other members of the group are vague acquaintances who meet only sporadically if at all – than if s/he participates in a strong social network, all of whose members are close friends or kin who frequently deal with one other. For while members of 'strong' networks tend to share the same limited set of contacts, and so have access to similar sources of information, people who participate in a 'weak' network have acquaintances who move in different social circles and so enjoy a wider range of informational sources.

One larger-scale implication is that social structures deficient in weak ties would be fragmented, and find collective action difficult, which might mean a failure to mobilise politically. Pushing the structural envelope, Burt (1992; 2000a) pointed out that the relevant units could just as well be collectivities like firms, and that one should pay attention to the 'structural holes' formed in the network by *absence* of certain connections. He emphasised the advantage to individual actors or firms from exploiting such holes, and bridging across actors that could otherwise not be in contact with one another. Admittedly, Burt's structural holes argument focuses more sharply than Granovetter's work on weak ties on how this advantage relies on manipulating structural features of the network, rather than merely collecting resources (such as information) for one's own use. As Granovetter puts it, the entrepreneur has no chance without a fragmented structure, so that "flows among chunks would be a source of profit. But to prime the pump of these flows is non-trivial, and requires not only cognitive brilliance (...) but also the ability to mobilize social resources through networks of solidarity and obligation" (Granovetter, 2001:15). In other words, inasmuch as

“successful economic entrepreneurs most likely engage in bridging at multiple levels,” entrepreneurial advantage results from existing structure and active agency (Granovetter, 2001:16).

Of course, in motivating his formulation of embeddedness, Granovetter noted an ironic convergence between neoclassical economics and many sociological accounts of economic behaviour: Both traditions share in common an atomistic perspective on social life. For neoclassical economics, atomism inheres in the assumption that economists’ models are peopled by self-interested, rational actors who carry fully formed preference rankings in their heads and make maximisation decisions in isolation from other social actors. With respect to sociology, Granovetter discerned an analogous kind of atomism in the tendency lingering from the discipline’s Parsonian past to rely on internalised norms or values to explain behaviour. As Granovetter noted, because social behaviour is essentially prescribed by norms or values in these accounts, the details of social structure are irrelevant in explaining any given outcome. Thus, neoclassical economics and sociology represent under-socialised and over-socialised conceptions of social action, respectively (Granovetter, 1985; 2001).

Granovetter argued that a conception of social action as embedded in social networks could avoid the twin perils represented by under-socialised and over-socialised accounts. He noted, “Actors do not decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy” (Granovetter 1985:487). Rather, examination of individuals’ patterns of insertion into social relations affords a more compelling explanatory account of behaviour in economic contexts. Granovetter illustrated this proposition by noting that the attempt to explain away malfeasance in economic life by referring either to efficient institutions (an under-socialised account) or generalized morality (an over-socialised account) is trumped by the simple observation that individuals tend to engage in exchange with individuals of known reputation. (Krippner and Alvarez, 2007:223). It is not the fact that individuals have subjected themselves to the authority relations of a firm, for example, or that they are acting out deeply inculcated beliefs about appropriate behaviour, but the fact that economic transactions are enmeshed in a thick net of personal relationships that explains order in economic life. These relationships both provide information on the motivations of one’s exchange partner and transform those motivations by infusing personal trust into exchange (Krippner and Alvarez, 2007:224).

In a nutshell, the proposition that action driven by interests as well as that driven by trust or power have outcomes in ways determined by larger contexts than those in which they are located, particularly the structure of social networks, underpins ‘the social construction of economic institutions.’ The latter arise through the mobilisation of resources by people whose motivation, knowledge and endowments of resources, and therefore whose actions, are both facilitated and constrained by the networks of personal relations within which they are embedded. While this formulation appears to privilege structure over agency, Granovetter contends that individuals who find themselves in situations determined by forces beyond their control, and often far beyond their lifespan, may nevertheless turn these situations to advantage and make a deep imprint on future actions and institutions (Granovetter, 2001). On the face of it, then, according to the new economic sociology, the emergence (or lack therefore) of economic institutions is best explained in terms of the interplay over time between people’s actions and the networks of personal relations within which those people are embedded (Granovetter, 1992a:47-49; 1992b). Individual actions, conditioned by incentives, trust and cooperation, power and compliance, and norms and identities that affect these states and actions are shaped by and themselves reshape larger institutional configurations (Granovetter, 2001).

Parenthetically, it has been argued that embeddedness defines two separate intellectual projects, not a single (if loosely articulated) enterprise. Whereas Granovetter’s conception of embeddedness is directed at the problem of atomism and privileges the tools of network analysis to lay bare the relational bases of social action in economic contexts, the Polanyian tradition in economic sociology deploys embeddedness as a “critique of the notion of an analytically autonomous economy and seeks to substitute this notion with an account of state and economy as mutually constitutive entities” (Krippner and Alvarez, 2007:234).

According to Polanyi, embeddedness designates the *framing* of the economy, the political rules regulating certain forms of production and circulation of goods and services. In pre-capitalist societies, markets were limited and most economic phenomena were inscribed in, and shaped by, pre-existing norms and institutions. The importance attributed to the market in the modern economy is the expression of disembeddedness, since the diffusion of market relations allows the latter to become autonomous from previous institutional frameworks. Market extension, however, does not mean that other economic forms, based on redistribution and reciprocity, have disappeared. Redistribution is the principle according to which the production is delegated to a central authority responsible for sharing it out, which

supposes the existence of a procedure defining the rules of levy and allocation. Reciprocity characterises the relations established between groups or persons thanks to non-monetary provisions, which only make sense insofar as they are the expression of a wish to demonstrate and reinforce a social link among the parties involved. The reciprocity cycle is different from market exchange insofar as it is not a contractual relation and it differs from redistributive exchange insofar as it is not imposed by a central authority. Redistribution and reciprocity have thus persisted within modern economies in non-market and non-monetary exchanges.

To sum up, in contemporary economies the disembeddedness of the economy can be attributed to the movement inherent to the market economy, but it is only a trend; the non-market and non-monetary poles of the economy bear testimony of the persisting embeddedness of some components of contemporary economy in the society in which they are rooted (Laville, 2007:2; Ghezzi and Mingione, 2007:16-17).

Empirical cases

The Granovetterian embeddedness framework has spawned a robust tradition of network analysis in entrepreneurship-related studies, with researchers focusing on the types of social relations and social networks that exist among entrepreneurs and/or firms, and their economic effects. Economic sociologists have drawn on the basic conception of social action as embedded in social networks in research examining a wide variety of situations in which, rather than operating as a drag on markets, as neoclassical theory would suggest, social relationships between exchange partners enhance economic performance (Uzzi, 1999; Krippner and Alvarez, 2007). To describe a network's actors and structure, sociological theories have traditionally been dominated by quantitative measures. The whole network may be characterized by attributes such as density, i.e. the number of connections between the partners in relation to the number of maximum possible connections, connectedness or the extent of cluster formation (Witt, 2004:393). Network analysis describes the bilateral or dyadic ties between two persons within a network, i.e. the lines, by attributes such as symmetry, reciprocity, multiplicity, and strength. The description of actors in networks has traditionally been dominated by the concept of centrality. A central person, e.g. within an information network, has many direct connections to other persons ('connectedness'), can reach other members of the network quickly, i.e. needs to use few or no intermediate persons ('closeness'), or is located on the information paths between other persons of the network frequently ('betweenness'). Generally speaking, one limitation of all network research arises

from the fact that empirical studies must use quantitative measures to estimate information which is essentially qualitative and cumulative in nature. The problem refers to data collection as well as data evaluation (Witt, 2004:393-394).

It has been argued that in economic sociology, there are two strands of structural theories for understanding how social relations and networks create economic and social benefits. The previously alluded to 'structural holes' approach evinces a kind of trenchant, hard structuralism in which the architecture of network ties alone is taken as sufficient to explain social outcomes (see Krippner 2001; Krippner and Alvarez, 2007). Burt (1992; 2000a) argued that the strategic expansion of large, non-redundant networks through the use of *arm's-length ties* characterised by lean and sporadic transactions (the equivalent of Granovetter's weak ties) offers the highest possible returns to firms and persons by linking them to diverse pools of market information, which they broker among less informed actors who reside in cloistered networks of relations that hinder their autonomy. Although weak ties are built on "thin-trust" (Anheier & Kendall, 2002), they do link individuals with others whose resources are not likely to be similar to their own (Burt, 2000a). Thus, a social actor who is in a position to bridge two actors with no direct ties to each other – a structural hole, in Burt's terms – can parlay control over information into strategic advantage (Burt, 1992; 2000a). As Uzzi (quoted in Krippner and Alvarez, 2007:225) observes regarding Burt's influential formulation, "A network rich in structural holes is virtually all that is needed to induce information and resources to flow through the network like electric current through a circuit board." Yet the result of the highly abstract nature of this variety of network theorising is to distil social content away from social structure (Krippner and Alvarez, 2007).

Greve and Salaff's (2003) study of how entrepreneurs draw on social networks to get advice and resources to launch a business in the initial phases of entrepreneurship, exemplifies the hard structural version. Entrepreneurs require information, capital, skills, and labour to start business activities. While they hold some of these resources themselves, they often complement their resources by accessing their contacts. The contacts that lead to successful outcomes are their *social capital* and they are a key component of entrepreneurial networks. Social capital is defined as the set of tangible or virtual resources that accrue to actors through the social structure, facilitating the attainment of the actors' goals (Lin, 1999; Portes, 1999). Entrepreneurs use their social capital to access resources in each phase of the establishment process, viz. *the motivation phase* (entrepreneurs discuss the initial idea and develop their business concept; *the planning phase* (entrepreneurs prepare to set up a firm,

obtaining the necessary knowledge and resources); and *the establishment phase* (when entrepreneurs establish and run a firm, focusing more narrowly on daily activities, or exchanges, and on problem solving). Greve and Salaff (2003) explore how each phase of establishing a business requires a different emphasis on networking. They adopt a structural approach to social networks focusing on network properties for entrepreneurs such as size (the number of people that the entrepreneurs turn to when they discuss aspects of establishing and running a business), position and structure. By emphasising the social embeddedness of economic activities and departing from the trait, culture, and personality perspectives, it is claimed that entrepreneurs in diverse cultural settings drawn from a sample in four Western countries (Italy, Norway, Sweden, and the United States) access their social relations in similar ways to get resources and discuss aspects of establishing a business (Greve and Salaff, 2003:16). In other words, the hard structural approach posits that as entrepreneurs build social networks, “cultural differences do not play a major role in networking” (Greve and Salaff, 2003:17).

A soft version of network research in economic sociology pays more attention to the content of ties rather than merely the structure formed by network ties, closely following the Granovetterian injunction to trace out the imprint of personal relations on economic life (Krippner and Alvarez, 2007). The embedded or strong-tie approach argues that a closed, tightly knit network of embedded ties is most advantageous (Uzzi, 1999; Krippner and Alvarez, 2007). In this regard, Uzzi’s research provides perhaps the most explicit theorisation of how embeddedness enhances economic performance. Distinguishing between arm’s-length and embedded ties – the former corresponding to anonymous market exchange and the latter to enduring exchange relations shaped around non-market, typically affective ties – Uzzi notes that embeddedness creates economic value through three mechanisms: trust, fine-grained information transfer, and joint problem solving. Although analytically distinct, these mechanisms are not fully separable in practice: It is trust between parties to exchange that encourages business partners to share private information with each other, enhances the likelihood that this information is relevant, and imbues it with credibility. Similarly, fine-grained information transfer is precisely what enables close coordination, mutual adjustment, and problem solving on the fly. In multiplex exchange relations, Uzzi describes the synergy that results from these elements in almost mystical terms, noting that transactions are guided by a “unanimity of inference” that creates shared expectations (Uzzi, 1999:488). Critically, exchange partners in close business relationships are able to roll over these shared

expectations to third parties, proliferating network ties and setting in motion a pattern of economic dynamism. As a result, firms that combine embedded and arm's-length ties enjoy the greatest likelihood of survival, using arm's-length ties to broker and embedded ties to partner.

Uzzi's subsequent research has suggested that this finding is generalizable to a wide variety of situations. For example, commercial transactions between firms and banks that are embedded in relationships *increase* firms' access to capital and *lower* their borrowing costs net of other determinants of lending. Ethnographic and statistical evidence showed that the more commercial transactions between a firm and the bank it borrows from are embedded in social attachments, the more expectations of trust and reciprocity shape transacting, thereby promoting governance benefits and transfers of private resources that are inaccessible through arm's length market ties (Uzzi, 1999:500). These benefits of embeddedness are also enhanced when the firm's network of ties to all its banks – those banks from which it borrows and those at which it conducts other banking business – consists of a complementary mix of embedded ties and arm's-length ties. Analysis of the latter supports the weak-tie thesis, demonstrating that weak ties are superior at “shopping” the market for publicly available information. Similarly, the analysis of embedded ties supports the strong-tie approach by showing that embedded ties are superior at “plugging” actors into the unique collective resources of dense network clusters. Thus, embedded ties and arm's-length ties are “complementary rather than cannibalistic when they are combined within the same network, because one type of tie helps overcome the limitations of the other type while enlarging information and governance benefits” (Uzzi, 1999:500). But beyond some definite, specifiable threshold, embeddedness becomes a liability as evidence from Africa shows.

Khavul et al (2009) draw on the embeddedness framework in order to consider how strong ties within social networks in rural East Africa (Kenya and Uganda) affect the choices that entrepreneurs make in starting and growing their businesses. Their evidence shows that entrepreneurs in East Africa rely on both strong family ties and strong community ties to establish their businesses. However, the traditional constraints of strong extended family ties mean that entrepreneurs are more inclined to establish businesses with those partners with whom they have strong community ties rather than strong family ties. Cultural expectations of solidarity, which are still prevalent across much of Africa (c.f. Stewart, 2003), translate into the blurring of the lines between what a man owns and what his brother owns (i.e. what his brother owns is effectively his as well) within strong extended family networks. This

creates the spectre of free riders and outright expropriation by family members who are otherwise uninvolved in the business, reducing the motivation of individuals to take advantage of opportunities and forcing entrepreneurs to adopt strategies that temper the control of family on business. Thus, entrepreneurs, especially women, tend to partner with and rely on strong community ties based on mutual trust and reciprocity as a vital means of limiting the scope for family members to appropriate resources from the business and thereby undermine its sustainability. In such cultural contexts, the relevant embeddedness framing is the interplay of different types of strong ties to which individuals have access (Khavul et al, 2009:1231-1233).

Critique

The two principal arguments against the postulate of embedded transactions hold that social network approaches, particularly in English-speaking economic sociology, assume an ontological distinction between economic and social spheres, and are prone to neglecting the cultural and political forces going beyond networks (Krippner, 2001; Krippner and Alvarez, 2007; Laville, 2007). As we have noted, scholars working in the Granovetterian tradition document the myriad ways in which social relations leave their imprint on business relations, shaping economic outcomes in ways that run counter to the expectations of economic theory. In particular, social relations are typically seen to enhance rather than detract from performance; trust is an effective lubricant of market exchange, allowing exchange partners to overcome market imperfections that would grind transacting to a halt in the pure neoclassical market. Yet, in relying on network analytic techniques to enmesh economic actors in social relations, this approach leaves intact the notion of an analytically autonomous economy criticised forcefully by Polanyi and by contemporary economic sociologists working in a Polanyian vein (see Krippner 2001). While the softer network approaches infuse social content into market relations (usually in the form of personal trust), they do so by resurrecting a distinction between the anonymous market and the social economy, suggesting that the former is embedded in the latter. Uzzi's (1999) use of arm's-length and embedded ties, in which only the latter are conceptualised as fully social, provides a vivid example. As Krippner and Alvarez (2007:231) observe, "the implication of this formulation is that there is somewhere a hard core of market transacting that exists apart from society."

Krippner (2001) has demonstrated the antinomies of Granovetter's appropriation and reformulation of the concept of embeddedness by pointing out how it assumes an ontological

distinction between economic and social spheres. “In attempting to steer an intermediate course between the twin perils of under- and over-socialized views of action, Granovetter has run the ship aground on a conception – common to both – that insists on the separate nature of economy and society” (Krippner, 2001:801). Krippner’s astute observation on the study of the market in economic sociology is important. Embeddedness, unintentionally assuming a demarcation between the economic and the social, creates a tendency to analyse economic phenomena either qua social by de-emphasising economic phenomena or qua economic by discarding social factors altogether. This is paradoxical, since the main aspiration of the embeddedness concept is to reject the alleged demarcation between economic and social phenomena (Krippner, 2001; Krippner and Alvarez, 2007; Gemici, 2008).

Bourdieu (quoted in Laville, 2007) characterises this view as *methodological interactionism* implying that the atomisation of utilitarian thought is reproduced by social network theorists, but at a different level of analysis. To be sure, in his later writings Granovetter (2007) acknowledges this ‘failure of vision’ on the part of network analysts, who have pursued the details of social network analysis without interest in the larger problems of social theory that prompted attention to social networks in the first place. In his *mea culpa* Granovetter (2007) concedes that he meant to distance himself decisively from any hint of ‘methodological interactionism,’ which assumed autonomy of social networks from larger social formations and structures of power. Thus, “much social network analysis has studied the quantitative properties of social networks for their own sake, and engaged in highly specialized and narrow work which at times seems almost sectarian” (Granovetter, 2007:4).

The second argument against the Granovetterian embeddedness has to do with the tendency to devalue concern with the larger cultural, political and institutional framework within which social networks are embedded. As we have noted, this failure is particularly discernible among the harder network approaches à la Burt, which tend to strip out social content from structural relations, resulting in a conception of the market that is nearly as abstract as the absolutised market of economic theory (Krippner and Alvarez, 2007:231). In this vein, much of social network analysis still remains committed to a structuralist conception of networks. Influential works of Ronald Burt (1992; 2000a) and others do not consider questions of meaning in networks, or they infer “the meaning” of relational patterns simply from the network structure, without addressing the level of meaning in empirical research (Fuhse, 2009:57). It must be acknowledged, though, that Burt himself eventually attempted to soften his ‘structural holes’ approach by incorporating the role of meaning in networks.

In his study “The Gender of Social Capital,” Burt (1998:13) starts from the observation that his notion of structural holes seems to have less explanatory power for the professional success of women than for men among managers in a large American company (Fuhse, 2009:57). He goes on to identify a different pathway of success for women by looking specifically at the relations to superiors, and introduces the concept of “borrowed social capital,” which seems to account for the gender differences. Burt’s solution to the initial puzzle claims that women act as an outsider group in the manager networks and therefore have to “borrow” social capital from powerful insiders (i.e. their superiors). Thus, he *assumes* that gender has a specific *meaning* in these networks. But since he relies solely on relational data, he cannot tackle this level of meaning directly (Fuhse, 2009:58). Ronald Burt’s study represents the more common way of addressing questions of meaning in network research – the meaning of categories and relationships is inferred from the pure relational data, rather than actually tackled in quantitative or qualitative research (Fuhse, 2009:58).

With respect to the agenda and theoretical orientation of the present study, I note that this particular criticism is at the root of the relational shift in the new economic sociology, as will become apparent shortly. Sociologists have taken a stand against the minimisation of cultural explanation, offering a critique positing that the highly structuralist school of early network thinking tended to defocalise culture in order to make social structure more amenable to analysis. However, in “downplaying the embeddedness of culture in this way, network scholars undermine their ability to make inference from purely structural explanations” (Brint, quoted in Pachucki and Breiger, 2010:207).

Recently, Mark Granovetter reflected that “it seemed very important [for network analysis] to abstract away from normative frameworks” and ideas, but that this led to “the failure . . . to sufficiently appreciate and explicitly analyze the important role of larger cultural and political forces on the action and the networks of individuals” (2007:4). His fascination with social networks “as a causal level linking micro and macro, has led at times to excessive emphasis on how the rational action of individuals leads to the construction and operation of social networks” (Granovetter, 2007:4). In this connection, by deemphasising social embeddedness and propounding a more relational analysis, in his later work Granovetter (2001; 2007) has gone farther in his plea to integrate network arguments with social, political and cultural dimensions to achieve a more complete understanding:

“I have purposely *not* argued that what is distinctive about structural economic sociology is its emphasis on the embeddedness of action in social networks. While I naturally believe that many of the

important contributions of economic sociology stem from its interest in network analysis, a focus on the mechanics of networks alone is not sufficiently distinctive theoretically from instrumentalist theories to lead us toward the more complex synthesis that we seek in understanding the economy. Instead, we need to work harder at connecting social network analysis to the central theoretical problems of sociology. The crucial point is that fundamental concepts like solidarity, power and norms cannot be understood except in relational terms” (Granovetter, 2001:25).

These latter day modifications notwithstanding, critics note that in either their Granovetterian or Polanyian guise, embeddedness perspectives have had difficulty in accommodating cultural approaches, but for different reasons. Network theory has tended to associate culture with sociology’s Parsonian past (Zelizer, 1988; Granovetter, 2007; Pachucki and Breiger, 2010), although this may now be changing to some degree (e.g., Granovetter, 2001, 2007; White 1992). In Granovetter’s own words, “We thought of ourselves as rebelling against the reigning orthodoxy of Talcott Parsons in sociology, and this led us to devalue concern with symbols, values, norms and culture in society” (Granovetter, 2007:1-2). For its part, the political economy perspective has similarly tended to retain a suspicion of cultural analysis, although here drawing more on its Marxian roots than its Polanyian lineage.³ We suspect that it is for these reasons that many prominent economic sociologists working from a cultural perspective have chosen not to motivate their scholarship in terms of embeddedness (e.g., Zelizer 2005b).

Undoubtedly, the principal achievement of network analysis has been to transform a merely metaphorical understanding of the embeddedness of actors in networks of social relationships into a more precise and usable tool for social analysis. This section has shown that in research on social networks, the structure of relationships is depicted as the decisive variable leading to diverse phenomena like status attainment, or collective action. The level of meaning has often been ignored in network research, thereby usually paying little attention to the expectations, symbols, schemata, and cultural practices embodied in interpersonal structures (Fuhse, 2008; 2009). As Emirbayer and Goodwin (1994) noted, despite its powerful conceptualisation of social structure, network analysis has inadequately theorised the causal role of ideals, beliefs, and values, and of the actors that strive to realise them; as a result, it has neglected the cultural and symbolic moment in the very determination of social action. The conceptual grasp upon culture, agency, and process gets lost. This is precisely what has triggered relational sociology, also known as the cultural turn in network analysis.

³ Although Polanyi's argument about the embeddedness of economic life in culture and society was widely influential and important, his view of culture as “total lifeway” associated with the Boasian school of American anthropology is frequently accused today of being “essentialist” and of excessively privileging structure over individual agency (Billig, 2000).

Relational [economic] sociology

Relational sociology argues for the importance of the cultural level in sociological analysis, and it offers a theoretical sketch for the interplay of structure and meaning in networks, including its methodological implications. Of course, it is more common nowadays for network approaches, following latter day efforts by Granovetter and others at self-consciously grappling with culture, to formally analyse social ties within and between social groups with an awareness of and even appreciation for the possibilities and nuances of culture. To be sure, the theoretical divide today is between approaches that consider culture and structure as separate, if dichotomous entities, and contemporary perspectives that move beyond mere relationality and see both culture and structure as mutually constitutive.

It must be stated from the outset that whereas in the 1970s the term “culture” implied culture writ large, as national character or the ultimate values of a society, the following discussion will show that scholars today are more likely to refer to it as local practices and meanings, discourse, repertoires, and norms. This section begins by briefly retracing the background and philosophical premises of the cultural turn in network analysis, and then goes on to outline the distinct ways in which scholars have conceptualised the link between networks and culture in terms of the aforementioned divide. Next we discuss contemporary formulations on the mutual constitution of structure and culture, including an account of recent syntheses and efforts at bridging the structure-culture dichotomy.

Mische (2011) recently explored the emergence of what has been called “The New York School” of relational sociology during the 1990s and 2000s, spearheaded by a generation of younger scholars clustered around such eminent figures as Charles Tilly and Harrison White, who were themselves undergoing intensive reformulations of their own theoretical frameworks. The emergence of this perspective can be traced to two intellectual streams, viz. the maturing social network analysis with its highly technical and formal methods, and the subfield of cultural sociology, whose theorists tended to see network analysis as located squarely in the positivist camp, “reducing cultural richness to 1s and 0s and lacking attention to processes of interpretation and meaning-construction” (Mische, 2011:3). These two streams converged in New York City in the mid-1990s as a cluster of scholars across several New York area universities engaged in a series of intensive exchanges related to networks, culture, and historical analysis (Mische, 2011). Together with Charles Tilly, Mustafa

Emirbayer played a pivotal role in the establishment of the philosophical and epistemological foundations of the relational paradigm.

Capturing the development of cultural and network thinking up to that point, Emirbayer (1997) identified a movement for ‘a relational sociology.’ Admittedly, sociology and in particular network analysis had been founded as the study of relations and therefore a call for a relational sociology might seem superfluous. Yet, in contrast to substantialist accounts, in which variables or predefined actors relate to each other and do the acting, Emirbayer argued for a particular transactional approach. Relational sociology sees “relations between terms or units as pre-eminently dynamic in nature, as unfolding, ongoing processes rather than as static ties among inert substances” (Emirbayer, 1997:289). Moreover, it rejects “the notion that one can posit discrete, pre-given units of analysis such as the individual or society as ultimate starting points of sociological analysis” (Emirbayer, 1997:287). In effect, Emirbayer not only captured ongoing developments at the time, but also issued an agenda-setting call for analysts studying culture and networks.

The resulting “Manifesto for a Relational Sociology” (Emirbayer, 1997) draws on pragmatist, linguistic, and interactionist philosophies as well as historical and network analysis to develop a critique of “substantialist” approaches to social analysis. He calls instead for a “transactional” approach focusing on the dynamics of “supra-personal” relations that transcend individual actors, and discusses the implications of this approach for historical, cultural, and social psychological analysis. This widely cited article has become one of the rallying cries of the “new relational” approach in sociology, articulating its underlying philosophy in an expansive manner that goes beyond the use of mathematical techniques. His now classic 1994 article with Jeff Goodwin was followed by an article with Ann Mische that develops a strongly relational theory of human agency, focusing on the embedding of actors in multiple socio-temporal contexts, with varied orientations toward past, present, and future (Emirbayer and Mische 1998; Mische, 2011). In chapter 4 we shall return to the relational definition of agency, specifically in connection with our discussion of divergent agentic orientations among our study participants.

During the 1990s, Tilly was undergoing an important transition in his thinking, spurred by the challenges he was receiving from normative and post-structuralist scholars at the New School in New York. He was moving from a resolute structuralism (developed in opposition to the normative orientation of Parsonian functionalism) to a deep engagement with cultural

processes of identity-formation, narratives, and boundary construction, rethought in dynamic, relational terms (Mische, 2011).

According to students and colleagues, Tilly would talk repeatedly about “tunneling under the post-modern challenge.” By that he meant a two-step process. First, we must recognize that a great deal of social construction goes into the formation of entities – groups, institutions, markets, selves – that most people take for granted as real. But then, he insists, instead of stopping there social scientists must go on to explain how that construction actually works and produces its effects (Zelizer, 2006:531). Tilly’s deep lesson is that interpersonal exchanges have a logic that doesn’t reduce to individual consciousness or to location within social structure; interaction produces structure. According to Tilly, analysts often fall into one of three traps: treating interaction as a product of individual phenomenology, using notions such as roles or networks that attach it to locations in social structure, or settling for painstaking description in the style of conversational analysis (Zelizer, 2006:532; Mische, 2011). “Effective explanations require the peculiar combination of skepticism about the stories told with close attention to how stories work (...) Identities are social arrangements reinforced by socially constructed and continuously renegotiated stories” (Tilly, 2002: x-xiv).

Therefore, relationships hold the master key to understanding social processes, including the shop-worn debate between the relative influence of structure and agency as explanations for persistence and change in social conditions. Tilly’s preference is for transactional and mechanism-based explanations. Interpersonal transactions, he argues, constitute “the basic elements of social processes.” Tilly shows how “interpersonal transactions compound into identities, create and transform social boundaries, and accumulate into durable social ties” (Tilly, 2005: xiii). This is, in other words, a relational theory. At their core, every social and political category – class, inequality, citizenship, democracy – embodies the history of relationships that acquire substance through a sequence of identity formation and boundary creation. The causal agents consist of mechanisms – events that change relations between parties in similar ways – and processes – “frequently occurring combinations or sequences of mechanisms” (Tilly, 2005:28). Some of the crystallised relationships that result remain durable, sustained, as in the case of inequality, by a set of self-reproducing mechanisms. Others, like democracy, prove more fragile, their reproductive mechanisms subject to erosion (Zelizer, 2006).

Of course, the group described above as the incubators of relational sociology is embedded in a much broader intellectual network of researchers who have been contributing to discussions about networks, culture, and agency for the past three decades. Mische (2011) has recently distilled four distinct ways in which the link between networks and culture has been conceptualised over this period. A brief reference to her overview is in order before we can proceed to elaborate on the specific contribution of relational sociology to the understanding of the link between social structure and culture.

Four approaches to the link between networks and culture

1. *Networks as conduits for culture:* One of the earliest and most straightforward ways of linking culture with networks has been to see networks as carriers or “pipelines” of social influence, in the form of attitudes, ideas, and innovations. The idea of networks as conduits for cultural transmission has been extended to the diffusion of social movement participation and repertoires of contention, often drawing upon rational choice theories of the critical mass (Granovetter 1978).

What characterises these approaches is the assumption that the cultural elements (information, ideas, attitudes, practices) are something external to the networks. Network relations serve as conduits of transmission or influence from one node to the next, but the nodes and ties have an existence that is independent of the cultural object, attitude, or practice that travels across them. Social ties contribute to the adoption and diffusion of cultural elements, but are not themselves composed by cultural practices. While this approach has provided valuable insights into the dynamics of cultural flows, it is grounded in a limited and substantialist account of the relationship between networks and culture. Network nodes and ties are seen as pre-given and unproblematic, as are the cultural goods that move between nodes; as a result both networks and cultural processes take on a reified quality that eclipses their mutual constitution (Mische, 2011).

2. *Networks as shaping culture (or vice versa):* A second major theoretical perspective focuses on the causal relationship between networks and culture, that is, how networks shape culture, or vice versa. While this perspective shares some characteristics with the “cultural conduit” approach – particularly the role of social influence – it places a stronger emphasis on the culturally generative dimension of network structures. The most established variant stresses network intersections or *bridges* as a source of cultural resources, contributing to

status, mobility, coalition building and cultural innovation. As we have seen in our earlier discussion of Granovetterian embeddedness, this approach focuses on weak ties, network diversity and structural holes rather than dense network clusters (Granovetter, 1973; Burt 1992; 2000a).

According to Mische (2011), what links these approaches is a nuanced examination of the mutual influence between network structures (enclaves, positions, bridges) and cultural elements (identities, tastes, moral values). Networks and culture are seen as autonomous variables that impact each other, but that are ontologically distinguishable components of social life. This assumption of causal autonomy simplifies analysis and allows for the use of network measures in models containing cultural indicators. However, it does not go as far as other recent work as seeing networks themselves as composed of cultural processes, as is discussed below.

3. *Networks of cultural forms:* A third major analytical perspective conceives of culture itself as organised into networks of cultural forms, including concepts, categories, practices, and narrative events. For example, Margaret Somers (quoted in Mische, 2011) describes a “conceptual network” as “a structured relational matrix of theoretical principles and conceptual assumptions.” This perspective focuses on the multiplicity and intersection of social and cultural structures, as well as the resourceful agency of individuals and collectivities in sustaining and transforming those (Emirbayer and Mische, 1998). Network techniques help to show the robust and interlocking nature of cultural structures, as well as the social locations and historical periods in which these can be challenged and reformulated.

4. *Networks as culture via interaction:* A final major approach to the network-culture link moves beyond the conception of cultural forms as autonomous from networks (and thus capable of being “transmitted” or “incubated” or “transformed” by means of network ties), focusing rather on networks themselves as composed of cultural processes of communicative interaction. Strongly influenced by the work of Erving Goffman, this work involves deepening attention to communication, setting, performance and interaction, showing how these are simultaneously constitutive of and permeated by network relations (Mische, 2011).

The above summary reflects the whole gamut of perspectives on the link between networks and culture, the confluence of which sparked the emergence of relational sociology, with positivist social network scholars and interpretive cultural sociologists bookending the conceptual spectrum as it were. If we define ‘social structure’ as the pattern of relations

between individuals, this interplay of networks and cultural forms should be at the heart of social structure (Fuhse, 2008). To be sure, as previously noted, the division in extant literature today is between network research with a structuralist bias that may consider cultural dimensions but treats culture and structure as autonomous realms, and research that postulates the intermingling of network and culture as mutually constitutive, i.e. fused together.

For all the definitional variations, however, most contemporary theorists agree that relational sociology starts from the assumption that social networks are interwoven with patterns of meaning. These comprise expectations between the participants, but also symbols, linguistic argots, attitudes, values, cultural practices, categories, and even the construction of the identities of the participants (Muetzel, 2009; Fuhse, 2009; Pachucki and Breiger, 2010). Given Harrison White's fundamental contribution to the intellectual movement that established the cultural turn in network analysis, at this stage we need to pause and briefly consider his understanding of networks as culturally constituted processes.

Networks as Culturally Constituted Processes

Indeed, a major intersection of network and cultural thinking was traversed in White's upending and reconceptualisation of network theory in *Identity and Control* (1992; 2008). In sharp contrast to the 1970s structuralism, White uses the mechanisms of identity formation and narrative to explain how actors in social space maintain and move between social positions. For White, netdom (network domain as a fusion of structure and culture) is the starting point. Social formations and forms of discourse made up of stories are derived from the dynamics of identity seeking control in and across netdoms. *Switching* is the key because it is the mechanism whereby the "sparks" of interpretive contexts-meanings are created. In contrast to his earlier research on vacancy chains and structural equivalence (Pachucki and Breiger, 2010), in *Identity and Control* White makes the claims that agency is "the dynamic face of networks," that "stories describe the ties in networks," and that "a social network is a network of meanings" (White 1992:65, 67, 245, 315). Let us unpack his thinking in more detail.

White starts off with the observation that we live in a world of contingencies and social chaos, which we as social actors are able to manoeuvre, because we are able to couple and uncouple social ties across multiple social contexts. How so? White analytically conceives of *identities*, i.e. pre-person actors, to emerge amid contingencies and contention in interaction

with other identities in attempts to establish *control*, i.e. their social footing in relation to one another. To establish control and hence social footing, identities use discursive interactions, to which other involved identities attribute meaning. These discursive interactions, or *stories*, are open for interpretation and are directed at a plurality of listeners. In telling stories, identities thus establish polymorphous relations. These efforts to establish social footing occur in *network domains* (*netdoms*), which are particular fields of interactions, characterised by bundles of relations and associated sets of stories, entangled with each other. In netdoms, structural and cultural dimensions of relations coalesce. Moreover, netdoms have a temporal dimension: since each type of tie is accompanied by stories, which relate to the past or future, the relational provides for temporal extension. Stories make network relations explicit (Mische and White, 1998; White and Godart, 2007; Mische, 2011).

It is in such meshing of culture and structure that identities relate to other identities. From the point of view of identities, they continually switch across netdoms in search of social footing in their everyday life. Such situative switching entails a temporary uncoupling from an old netdom and coupling with a new netdom. Switching between netdoms allows identities to engage in reflective comparison and, consequently, generates perception and meaning. To put it briefly, meaning emerges collaboratively with switching from netdom to netdom. In other words, meanings are constructed jointly through “an inextricable intermixture of social and cultural spreads” (White and Godard, 2007:2). Based on socio-cultural discontinuities, switching is the central mechanism providing for the emergence of meaning (Mische and White, 1998; White and Godart, 2007; Mische, 2011).

With respect to the agenda of the present study, it is worth noting that White & Godart (2007:2, 17) explicitly reject conceiving of the relation between structure and culture as “interdependent yet autonomous systems,” preferring instead to view both structure and culture, social networks and discursive forms, as second-order processes that need to be accounted for by the dynamics of identity and control among network domains. If the two categories exist because they shape interpretive contexts, and in this way belong to culture, the lived experience of identities is made of netdoms. Culture should be seen as a continuously interacting population of forms of discourse made up of stories articulated within some social formation. In this regard, one can view culture as “an array of forms of discourse that set the interpretive contexts for all social actions so that it can be computed as an envelope from them, as well as shaped by them” (White and Godart, 2007:11).

The fusion of network and domain is essential and it is a radical departure from common sense, in that we do not a priori separate social networks – the structure – from domains of topics – the culture – but instead consider them simultaneously. Networks and domains emerge from netdoms which form the fabric of our lived experience in a context of uncertainty, contingency, and ambiguity. Thus, building his approach on empirically observable uncertainties and contingencies in action encountered in everyday life, White departs radically from the static orderliness of structuralist network thinking. He also refrains from turning relational properties into individual attributes. Clearly, his focus is on the emergence of social formations as a result of actors' coupling and uncoupling of ties across a diversity of settings (White and Godart, 2007; Mische, 2011).

Despite critics who claim that, in White's *Identity and Control* approach, it is social structure rather than culture that "often turns out to be the first among equals" (Emirbayer 2004:8), the work has stimulated a great deal of fresh theorising about culture and networks by White and collaborators (White 2007; White & Godart 2007; Pachucki and Breiger, 2010:208). Scholars in this realm illustrate how narrative can serve to describe, construct, and transform a web of relationships. For example, Ann Mische (2003; 2007) studies the discursive and performative dynamics of network construction in a multi-organisational field that is itself undergoing change. In her ethnographic and historical study of Brazilian youth activist networks, she maps the trajectories of overlapping institutional affiliations among young activists in student, religious, partisan, professional, NGO and business groups during a period of democratic reconstruction. She builds on Goffman's notion of "publics" by showing how activists highlight, suppress, segment and combine dimensions of their multiple identities as they create new settings for civic and political intervention. Extending the concept of "group style" developed by Eliasoph and Lichterman (quoted in Mische, 2011), she analyses how actors switch between different modes of political communication as they grapple with the relational tensions posed by particular institutional intersections. These scholars provide especially vivid examples of the dynamic construction of ties via communicative interaction (Mische, 2011).

David Smilde (2005; 2007) describes the role network-based conversations play in the construction of conversion narratives. By conducting life-history interviews with individuals who make a conversion to evangelical Christianity, Smilde (2005; 2007) qualitatively examines how individuals make sense of the roles their network affiliates have in the conversion process. In doing so, he documents how a lucid intersubjective meaning frame

and lack of ambiguity in Venezuelan evangelicalism help adherents sync their meaning structures and discourse, providing suggestive evidence that challenges explicitly structural explanations of networks that minimise actor agency. In the next chapter we shall dwell on this specific example.

Recent scholarship has shined a spotlight on the meaning structure of social networks as consisting, on a theoretical plane, of three components, viz. culture of a relationship, pattern of roles and identities, and network culture. According to Fuhse (2008), the meaning structure of social networks consists of interpersonal expectations. These are embodied in dyadic relationships and cultural blueprints for these, in role categories, and in social identities of actors. The third level of the meaning structure is the “network culture” proper – the symbols, schemes, and scripts diffused in social networks. These various aspects of meaning in networks interact closely with the transactions, working as cultural corridors for the communication between actors (Fuhse, 2008:68). However, these cultural features are not primarily located on the level of subjective meaning. Fuhse argues:

“Inner processes of the actors involved, be they individuals, corporates, or collectives, do play a role and have to correspond to the content of transactions. But what is shared and communicated is more important, and this is the primary source of regularity on the network level” (Fuhse, 2008:68).

Thus, social networks exist on the level of social meaning, which crystallises and evolves in the course of transactions. Their culture is primarily “intersubjective” and manifestly inscribed in transactions. The subjective meaning of the actors involved is shaped by symbols, scripts, and schemata available in social networks. But this subjective meaning is not directly observable, neither for the researcher, nor for the other actors in a network. Even in quantitative or qualitative interviews, subjective meaning is not observed directly but through the joint construction of meaning in the interview situation (Fuhse, 2008:68).

The shared focus in this work on the conversational and performative enactment of ties and the meaning structure of networks allows these scholars to upend traditional dichotomies between structure and agency. The study of relational settings, patterns and constraints can be linked to a focus on strategic (and sometimes transformative) manoeuvring by motivated, culturally embedded actors. Relations in this conception have durability, in that they have histories, meanings, obligations, and projected futures; yet this durability requires communicative work and is subject to negotiation, contestation, and opportunistic challenge. Both opportunities and constraints result from the fact that multiple relations can potentially

enter into play, charging relational settings with tension, drama, and potential for change (Fuhse, 2008; Mische, 2011).

In the same vein, recent work in economic sociology stresses the relational dimension of economic exchange, while paying particular attention to meaning and process. Viviana Zelizer (2005a) describes how differentiated ties ramify into “circuits of commerce” involving “different understandings, practices, information, obligations, rights, symbols, and media of exchange.” She argues that these differ from networks, traditionally conceived, in that “they consist of dynamic, meaningful, incessantly negotiated interactions among the sites” (Zelizer 2005a:293). In her book *The Purchase of Intimacy*, Zelizer (2005b) documents how much effort people invest in marking the boundaries between intimate relations in which they are actively involved and other relations with which they might be confused to the detriment of all concerned. The obvious example is distinguishing between the relations of courtship and prostitution, but more subtle versions of similar boundary-marking occur in such cases as the relationship of nanny and mother to the same child. She points out that forms of speech, transfers of money, gift exchanges, and interpersonal rituals often mark such boundaries. She also observes that participants often introduce false distinctions between the worlds of commercial interest and sentimental solidarity – what she calls ideas of “separate spheres” and “hostile worlds” – as they mark such boundaries. In chapter 4 we shall return to Zelizer’s work in greater detail.

Alongside the cultural turn in network analysis, another strand can be identified in network thinking that equally treats structure and culture as intermingled rather than autonomous entities of a duality – Actor-Network Theory (ANT)⁴. Muetzel (2009) clarifies similarities and differences between ANT and relational sociology. Despite differences in disciplinary origin, institutional embeddedness and, of course, scientific idiom, relational sociology and actor-network theory share many insights. Fundamentally, both approaches understand networks as culturally constituted processes and reject a priori reifications such as ‘the social’ or ‘society’; instead, these notions are constructions out of social enmeshing and become only observable ex-post (Muetzel, 2009:878-879). Nevertheless, two crucial distinctions remain.

⁴ In this perspective, which developed in anthropological science and technology studies in France and the UK, networks are a heterogeneous chain of associations made up of multidimensional and evolving entanglements of human, non-human or collective actors (all are *actants*). Muetzel (2009) notes that theoretically and methodologically, ANT notably diverts from standard social sciences. Non-humans are understood to be actors and ‘not simply the hapless bearers of symbolic projection’ (Latour, quoted in Muetzel, 2009:877).

While both approaches make use of *qualitative methods and data* and also resort to *visual and formal analyses* of social networks, ANT understands human and non-human actors as equally able to act, whereas relational sociology considers non-human actors as unable to create meaning, even though they are part of social networks. In addition, in relational sociology the analyst ascribes meaning to who and what counts for the analysis, whereas ANT follows an open, interpretative approach when collecting data, letting the studied actors themselves make the connections (Muetzel, 2009:880).

The development of actor-network theory (ANT) has been especially prominent in studies of the sciences. In Latour's vision, ANT is best thought of as a sociology of associations (or translation) and is most useful in the early development of a field or social realm (Pachucki and Breiger, 2010). For Latour, the duty of sociologists of associations (versus "sociologists of the social") is not necessarily to "bound or stabilize groupings neatly, but rather to point up controversies inherent to the world being studied" (Pachucki and Breiger, 2010:213). Latour's outlook gives actors agency in defining their social world, rather than giving researchers power to impose order. ANT actively recognises the instabilities in social life – the uncertainties in social connectivity – and it incorporates this tenuousness into its theory of action. This micro-interactive perspective is based upon tracing ties between both human actors and objects; for Latour, the act of hiding behind larger-than-life social forces encourages passivity in questioning the role that actors' ingenuity plays in explaining the social world (Pachucki and Breiger, 2010:213-214).

Muetzel suggests that a combination of relational sociology and ANT – two typically separate variants – is able to link formal and interpretative analyses in a relational way. One area where such alliances prove to be very productive is precisely in economic sociology, where we find markets constituted by objects, humans, communicative interactions, organisations, and institutions alike. A few studies addressing 'how economics perform the economy' (McKenzie et al., quoted in Muetzel, 2009) have connected those ANT-shaped insights with aspects from relational sociology. For example, Stark (2009) finds economic actors faced with a plurality of orders of worth when deciding who and what counts and presents insights into how economic actors create new associations – with objects, other humans, concepts and principles of worth.

Combining economic sociology and the sociology of culture, and building upon both Latour and White's theories of how actors and actions intersect, Muetzel (2009) uses narrative

analysis of newspapers in Berlin to analyse shifts in meaning-making and knowledge production. She shows how a range of human and non-human actors, such as journalists, newspapers, technical equipment, concepts and even actions themselves arising out of narrative competition, collaboratively brought about the emergence of a new journalistic style (Muetzel, 2009:881). In seeking to recast actions themselves as network actors, and more generally by disrupting the usual assumption that actors and ties are clearly distinct, research in this tradition is a radical effort to rework cultural boundaries and the social networks that both define and span them (Pachucki and Breiger, 2010:213; Pachucki et al, 2007; Lamont, 2002).

From Structural Holes to ‘Cultural Holes’

Lastly, a recent move towards integration of culture and social networks worthy of mention is the provocative notion of ‘cultural holes’ advanced by Pachucki and Breiger (2010). Perhaps denoting a slight cultural bias, the heuristic of cultural holes, which evidently harks back to, and is in dialogue with, the influential network concept of structural holes, points to the cultural contingency of network structure. Burt’s pre-relational, harder variant of network analysis refers to strategic bridging ties that may connect otherwise disjoint clumps of social actors; these ties are hypothesised to lead to enhanced information benefits and social capital for those who bridge holes (Burt, 1992; 2000a). Yet, as previously discussed, although the concept of structural holes has led to advances in explaining network topology and information flow, it has done so largely without attention to cultural meanings, practices, and discourse.

Thus, building upon current thinking concerning the intermingling, mutually constitutive and coevolving dynamics of structure and culture, social networks and discursive forms, Pachucki and Breiger (2010:215) argue that cultural holes refer to “contingencies of meaning, practice, and discourse that enable social structure.” In other words, the cultural contingency of social ties and network structure suggests that structural holes may be more culturally contingent than social network analysis had recognised. The notion of bridging in the predominant social network definition is thereby reconceptualised as having a great deal of cultural contingency. They propose four starting points for understanding the shapes that cultural holes might take, as follows: (1) Bridging social ties often exist because they connect people who both share and reject tastes, as well as those with complementary tastes. (2) Boundaries as well as affinities among genres are productively understood as patterned around absences of ties

among cultural forms. (3) The use of structural holes as distinct from other organising principles may depend on culture at levels ranging from interpersonal, to intra-organisational, to transnational. (4) Incommensurability in institutional logics prods actors to generate new meanings and forms of discourse (Pachucki and Breiger, 2010:219).

Bridging social ties exist because they connect people who both share and reject tastes, as well as those with complementary tastes. In other words, this suggests that a broker can bridge structure by sharing culture. The greater implication is that bridging ties are better imagined as spanning cultural holes (Pachucki and Breiger, 2010:215).

Cultural holes give us a way to explain linkages between diverse cultural forms. This second aspect of cultural holes points to “the structuring of boundaries and the lack of complete connections among cultural forms such as musical genres” (Pachucki and Breiger, 2010:216). In this perspective, the way to empirically identify genres, disciplines, communities of practice, and dimensions of cultural classification is to search for patterned absences of relations, to see these socio-cultural forms as patterned around holes. Pachucki and Breiger build upon DiMaggio’s work, where he insisted that an important set of methods for identifying artistic classification systems empirically is to locate ritual boundaries and barriers that “make it difficult for artists and entrepreneurs to move among genres” Pachucki and Breiger, 2010:216). The implication of this proposition is that genres and other cultural forms do not fit together seamlessly.

Resonating with the entrepreneurship agenda of the present study, the third instantiation of cultural holes suggests that “if and when structural holes work is fundamentally culturally contingent” (Pachucki and Breiger, 2010:216). Structural holes do not always provide the benefits that Burt hypothesised. There is evidence that what makes structural holes work or fail strategically is the culturally contingent behaviour of actors, at levels ranging from interpersonal, to cross-national, to intra-organisational. In this regard, empirical literature from China shows that Burt’s structural holes vary by local context (Xiao & Tsui 2007). These holes might work one way in China (or Africa for that matter) and differently in America where the theory evolved. Just as networks create culture and are created by culture, networks embody local culture of their own. We shall have more to say about this dimension of cultural holes in chapter five.

As a final point, Pachucki and Breiger (2010:216) rely on Friedland’s notion of ‘institutional logics’ to suggest that cultural holes may refer to “incommensurabilities in institutional

logics.” For Friedland, institutions have a logic because practices, on the one hand, and purpose and value, on the other, are internally in alignment. However, individuals “live across institutional fields,” and situations and organisations involve more than one logic of practice, and some of these logics are co-implicated (Friedland, 2009:22-23). In this connection, a research agenda would be to understand how these partially interdependent, partially divergent logics can be differentiated, bridged, contested, or mediated (Pachucki and Breiger, 2010:216). To be sure, Friedland’s notion of institutional fields resonates with White & Godart’s (2007:2) theoretical approach, which posits that it is precisely when identities do bridging work across network domains that “identities generate some specific meanings, together with forms of discourse.” In other words, as Pachucki and Breiger put it,

“If we accept that the dynamic configuration of symbolic and social boundaries actively orders social structure and, further, that social structure is constituted by relationships that can be operationalized by ties and measured by social positions, then it stands to reason that attention to these formalized relationships and boundaries may enrich our understanding of their interplay. Looking toward the interaction of boundaries and cultural holes can tell us of social cohesion and equivalence and may also explain how configurations of ties can contain measurable traces of boundary processes” (Pachucki and Breiger 2010:218).

To sum up, relational sociology emphasises the cultural contingency of social ties and network structure. Networks are understood as composed of ‘culturally constituted processes of communicative interactions’ (Mische, 2003:258), providing for an inseparable intermingling of network relations and discursive processes. The relation between culture and structure is not one of a duality between two autonomous entities. Rather, culture and structure, language and relational ties are *fused* within a socio-cultural setting. More than just a set of analytical techniques, the new relational sociology becomes a way of challenging the core theoretical and methodological divides in the discipline. The effervescent New York school described by Mische (2011:17) as one “formative conversational hub” is at the forefront of a recent movement that returns sociology to its relational and pragmatist roots, while suggesting a new agenda for studying the dynamic interplay of networks and culture.

To be sure, such a movement is part of a broader intellectual trend towards a fresh appreciation of the cultural contingencies of development. As Sarah White (2009) notes, from a position of relative neglect, there has been a recent explosion of attention to ‘culture’ in international development thinking. This ‘rehabilitation’ in the perception of culture has also marked a shift in the way it has been positioned in development debates. The oppositions between culture (or tradition), on the one hand, and development, on the other, once a central preoccupation of modernisation theory, while by no means absent in contemporary writings,

have now been joined by a different voice (White, 2009:247). In fact, an influential strand of extant literature in the field exhibits a remarkable degree of congruence with the key tenets of relational sociology enunciated above. The World Bank volume *Culture and Public Action* (2004) represents a significant ‘moment’ in the human development approach to culture. We single out for cursory examination two authoritative contributions germane to the present discussion by social anthropologist Arjun Appadurai and World Bank economist Vijayendra Rao, the co-editor of the volume. First though a brief reference is in order to the theoretical and philosophical foundations of the human development paradigm – the Capability Approach.

Development Theory and Culture in a Nutshell

The Capability (variously termed ‘freedoms’) Approach embodies economist Amartya Sen’s seminal contribution to development thinking. In this he not only presents a philosophical alternative to the utilitarianism which underpins so much of economics, but, in so doing, also offers an alternative development objective which can be used to inform a wide range of issues, from markets to gender, democracy to poverty. In brief Sen argues that “for many evaluative purposes, the appropriate ‘space’ is neither that of utilities (as claimed by welfarists), nor that of primary goods (as demanded by Rawls), but that of substantive freedoms – the capabilities – to choose a life one has reason to value” (Sen, quoted in Stewart and Deneulin, 2002:64).⁵ The capability approach thus replaces the traditional concern with either resources or utilities (in theory) or income (in empirical analysis and applied studies) by a more intrinsic concern with what people manage to do and to be (Robeyns, 2005).

The capability approach to development is a broad normative framework for the evaluation and assessment of individual well-being and social arrangements, the design of policies, and proposals about social change in society. In academia, it is being discussed in quite abstract and philosophical terms, but it is also used for applied and empirical studies in a wide range of fields, most prominently in development studies, welfare economics, social policy and political philosophy (Robeyns, 2003; 2005). It can be used to evaluate several aspects of people’s well-being, such as inequality, poverty, the well-being of an individual or the average well-being of the members of a group. However, according to Robeyns [one of the foremost authorities in the field], the capability approach is not a theory that can explain

⁵ For a comparative survey of the various approaches and attempts at dethroning income maximisation as the dominant and single objective of economic development, e.g. Basic Needs School inter alia, see Stewart and Deneulin, 2002; Clark, 2006).

poverty, inequality or well-being; instead, it rather provides a tool and a framework within which to conceptualize and evaluate these phenomena. Applying the capability approach to issues of policy and social change will therefore often require the addition of explanatory theories (Robeyns, 2005:94).

The core characteristic of the capability approach is its focus on what people are effectively able to do and to be, that is, on their capabilities. A focus on people's capabilities in the choice of development policies makes a profound theoretical difference, and leads to quite different policies compared to neo-liberalism and utilitarian policy prescriptions. Sen argued that in social evaluations and policy design, the focus should be on what people are able to do and be, on the quality of their life, and on removing obstacles in their lives so that they have more freedom to live the kind of life which, upon reflection, they find valuable:

“The capability approach to a person's advantage is concerned with evaluating it in terms of his or her actual ability to achieve various valuable functionings as a part of living. The corresponding approach to social advantage –for aggregative appraisal as well as for the choice of institutions and policy – takes the set of individual capabilities as constituting an indispensable and central part of the relevant informational base of such evaluation” (Sen, quoted in Robeyns, 2003:6).

The major constituents of the capability approach are *functionings* and *capabilities*.

Functionings are the ‘beings and doings’ of a person, whereas a person's capability is the various combinations of functionings that a person can achieve. Capability is thus a set of vectors of functionings, reflecting the person's freedom to lead one type of life or another. A person's functionings and their capability are closely related but distinct.

A functioning is an achievement, whereas a capability is the ability to achieve. Functionings are, in a sense, more directly related to living conditions, since they are different aspects of living conditions. In other words, functionings are valuable activities and states that make up people's well-being – such as being healthy and well-nourished, being safe, being educated, having a good job, being able to visit loved ones. They are also related to goods and income but describe what a person is able to do or be with these. For example, when people's basic need for food (a commodity) is met, they enjoy the functioning of being well-nourished.

Capability, in contrast, refers to the freedom to enjoy various functionings. In particular, capability is defined as the various combinations of functionings (beings and doings) that the person can achieve (Robeyns, 2003; 2005).

Thus, a key analytical distinction in the capability approach is that between the means and the ends of well-being and development. Only the ends have intrinsic importance, whereas means

are only instrumental to reach the goal of increased well-being and development. According to the capability approach, well-being and development should be discussed in terms of people's capabilities to function, that is, their effective opportunities to undertake the actions and activities that they want to engage in, and be whom they want to be. These beings and doings, which Sen calls achieved functionings, together constitute what makes a life valuable. Functionings include working, resting, being literate, being healthy, being part of a community, being respected, and so forth. The distinction between achieved functionings and capabilities is between the realised and the effectively possible, in other words, between achievements and freedoms. What is ultimately important is that people have the freedoms (capabilities) to lead the kind of lives they want to lead, to do what they want to do and be the person they want to be. Once they effectively have these freedoms, they can choose to act on those freedoms in line with their own ideas of the kind of life they want to live. The corollary is that two people with identical capability sets are likely to end up with different types and levels of achieved functionings, as they have made different choices from their effective options (Robeyns, 2003; 2005).

In this connection, it has been argued that one of the strengths of the capability approach is that it can account for interpersonal variations in "conversion of the characteristics of the commodities into functionings" (Robeyns, 2003:17). These interpersonal variations in conversion can be due to either personal or socio-environmental factors. In other words, as a liberal philosophical framework, the capability approach respects people's different ideas of the good life, and this is why capability, and not achieved functioning is the appropriate political goal. Having said this, it is also clear that in real life, our ideas of the good life are profoundly moulded by our family, tribal, religious, community or cultural background (Robeyns, 2003; 2005). How then does culture matter for development?

Appadurai (2004:61-62) helpfully summarises the current points of consensus on culture in the development literature: relationality – cultural meaning lies in the relationship between different elements (norms, values, beliefs, etc.), rather than inhering intrinsically within a particular item considered in isolation; dissensus within some framework of consensus – culture is non-unitary, subject to considerable internal negotiation and dispute; and leakiness – the boundaries of culture are weak and highly porous, such that flows, borrowings and interactions across borders are the norm rather than exception.

Appadurai (2004) begins by noting that we need a sea change in the way we look at culture in order to create a more productive relationship between culture and development in the battle against poverty. This change requires us to place futurity, rather than pastness, at the heart of our thinking about culture (Appadurai, 2004). This does not mean that we need to forget about culture in its broader sense, as the sense of tradition, the fabric of everyday understandings, the archive of memory and the producer of monuments, arts, and crafts. Nor do we need to slight the idea that culture is the fount of human expression in its fullest range, including the arts, music, theatre, and language. Culture is all of these things as well. But culture is “a dialogue between aspirations and sedimented traditions. And in our commendable zeal for the latter at the cost of the former, we have allowed an unnecessary, harmful, and artificial opposition to emerge between culture and development (Appadurai, 2004:84).

In answering the question as to why culture matters for development and reduction of poverty, he introduces the notion of ‘capacity to aspire,’ which emphasises culture’s futurity rather than its pastness. “In strengthening the capacity to aspire, conceived as a cultural capacity, especially among the poor, the future-oriented logic of development could find a natural ally, and the poor could find the resources required to contest and alter the conditions of their own poverty (Appadurai, 2004:59).

The capacity to aspire is a collective asset which is linked to Sen’s capabilities. According to Appadurai, they are two sides of the same coin much as recognition and redistribution recall and require one another. “The capacity to aspire provides an ethical horizon within which more concrete capabilities can be given meaning, substance, and sustainability. Conversely, the exercise and nurture of these capabilities verifies and authorizes the capacity to aspire and moves it away from wishful thinking to thoughtful wishing (Appadurai, 2004:82).” Freedom, the anchoring good in Sen's approach to capabilities and development, has no lasting meaning apart from a collective, dense, and supple horizon of hopes and wants. Absent such a horizon, Appadurai notes, “freedom descends to choice, rational or otherwise, informed or not” (Appadurai (2004:82). However, the cultural capacity to aspire is not evenly distributed in any society.

Drawing on the case study of a Mumbai coalition of community-based housing activists, Appadurai shows the centrality of savings among members of grassroots slum organizations [networked with global NGO partners], which they see not only as “a discipline of

community building” and a principal tool for mobilization, but also “a central mode for building the capacity to aspire” (Appadurai, 2004:73). These discussions about savings are highly specific occasions for poor men and women to find out what the future truly means for different individuals and groups who are trying to think ahead and struggle for secure tenure, for government loans, for permits for water or electricity, or for the right to police their own communities. Here, local horizons of hope and desire enter a dialogue with other designs for the future and poor persons (often women) crossing massive cultural boundaries are able to discuss their aspirations in the most concrete of forms, in conversations about why some members are unable to save regularly, about why some misuse their access to community funds, about what sorts of consumption are more or less legitimate with borrowed money, and about how money relates to trust, power, and community (Appadurai, 2004:75).

Appadurai argues that the capacity to aspire, as a forward-looking cultural capacity that is unequally distributed, may well be a capacity (that is, a ‘metacapacity’) “whose fortification may accelerate the building of other capacities by the poor themselves” (2004:82). If so, it ought to be a priority concern of any developmental effort and a priority component of any project with other substantive goals (such as health, food security, or job provision) directed to the reduction of poverty (Appadurai, 2004:82). How can this recommendation be concretely explored?

Appadurai recommends that any developmental project or initiative, however grand or modest in its scope, should develop a set of tools for identifying the cultural map of aspirations that surround the specific intervention that is contemplated. This requires a method of placing specific technologies or material inputs in their aspirational contexts for the people most affected by them. This will require careful and thoughtful surveys, which can move from specific goods and technologies, to the narratives within which they are understood and thence to the norms which guide these narratives. This last proposal also recognises that aspirations connect to much of the rest of what we may regard as beneficial about culture, including the lifestyle, values, morals, habits, and material life of any community. And this brings us back to culture more generally (Appadurai, 2004:82-83).

Another influential contribution to the cultural turn in development thinking is Vijayendra Rao’s *Culture and Public Action* (2004). In it he proposes a view of culture that amalgamates relational perspectives on culture with the human capabilities approach in the

interdisciplinary scholarship on development. The adoption of a cultural lens to development has implications for the normative assessment of well-being and policy.

Rao and Walton (2004) argue that a focus on culture is necessary to confront the difficult questions of *what* is valued in terms of well-being, and *why* economic and social factors interact with culture to unequally allocate access to a good life. This understanding of culture closely resonates with Sen's framework, i.e. culture is seen as part of the set of capabilities that people have – the constraints, technologies, and framing devices that condition how decisions are made and coordinated across different actors (Rao and Walton, 2004). They combine the terminology of Bourdieu and Sen to suggest that “a group's cultural capital forms part of its capability set” (Rao and Walton, 2004:29).

A relational perspective sees culture as a set of contested, malleable, and quotidian attributes, constantly being re-created and re-imagined by the changing dynamics of human connections and interactions. Thus, according to Rao and Walton (2004), communication is at the heart of culture, and patterns of communication both shape and are shaped by economic, social, and political inequalities:

“The struggle to break free of poverty and inequality is, consequently, as much a cultural process as it is political and economic. It is centrally related to voice, modes of discourse, and the degree of access to the public sphere. Thinking along these lines has important implications for policy, since it suggests that in addition to equalizing opportunity, public action to address poverty would need to find ways to equalize voice and agency” (Rao and Walton, 2004:4).

Consequently, they propose a shift from the individually based principle of ‘equality of opportunity’ to a group based principle of ‘equality of agency.’ Although equality of opportunity explicitly recognises that group-based attributes may lead to discrimination, the individual is assumed to be an autonomous actor, if at times tagged to a group. In its traditional sense, one popular interpretation is the ‘level the playing field’ view. If two individuals of equal ability are granted the same access to human and physical capital, their chances of success will depend solely on their effort. In this view, the role of policy is to improve access to schools, health care, credit, and so on (Rao and Walton, 2004:29).

A cultural lens, however, suggests that this is an incomplete way of dealing with the relational aspects of deprivation. Inequality is not just the result of an individual's affiliation with a group; it is also caused by how members within a group relate to one another and the group relates to other groups. Furthermore, equality of opportunity implicitly assumes a distinction between preferences and constraints, in arguing that human beings are primarily

held back not by endogenous cultural processes, but by exogenous obstacles. Rao and Walton argue that some groups, because of the “symbolic violence of dominant discriminatory ideologies, may have ‘constraining preferences’ that restrict their ‘capacity to aspire’” (Rao and Walton, 2004:29). Similarly, some groups, because of problems of coordination, may lack the “capacity for collective action and access to social networks that they would need to move ahead. Individuals are not just limited by obstacles to their individual effort but by *collectively* determined factors that result from ideological, cultural, historical, and social factors that are beyond their immediate control” (Rao and Walton, 2004:29).

A cultural lens thus leads to a different principle – ‘equality of agency’ – which builds on equality of opportunity but takes into account as well the impact of the relationality of individuals, the social and cultural contexts within which they operate, and the impact of these processes on equality and poverty. According to Rao and Walton (2004:29), equality of agency would propose that in addition to providing equal access to human and physical capital, people are also entitled to equal access to cultural and social capital. But because cultural and social capital are inherently relational concepts, these require group-based interventions that are different from the more individual-based interventions that derive from the equality of opportunity perspective (Rao and Walton, 2004:30).

The normative implication is that greater equality of agency is a “desirable, and often a necessary condition, for putting societies on a dynamic path toward greater equality of well-being” (Rao and Walton, 2004:30). This is also likely to have neutral, and potentially positive, effects on processes of accumulation. This has two fundamental implications for public action: (1) Moving from a focus on individuals to a recognition that relational and group-based phenomena shape and influence individual aspiration, capabilities, and agency. (2) Providing for debate and decision making when there are several distinct culturally determined perspectives, and in particular, assure that poorer, subordinate groups have voice and opportunities for redress (Rao and Walton, 2004:30).

Finding effective mechanisms to give the poor voice and political agency is therefore an important way by which a cultural lens can help inform public policy:

“If we recognize such noneconomic capital to be as important as human and physical capital in sustaining durable inequality, then it is imperative to acknowledge that equalizing voice and civic/political participation requires just as much attention from public policy as improving access to education and employment. But processes that equalize voice and agency are necessarily cultural; they are relational and communicative, creating the capacity for the disadvantaged to cross over from being

passive recipients of public largesse toward becoming active participants in determining their own destinies” (Rao and Sanyal 2010:169).

In short, extant development thinking recognises the cultural contingencies of development. Economic prescriptions and political initiatives, such as poverty programmes, may not have the desired effects because they do not take cultural circumstances into account. Poverty can be as much a matter of voice and agency as an economic matter. But culture is not conceptualised as a primordially fixed, historically endowed, explanatory variable that is highly resistant to change. As Rao and Sanyal (2010:146-169) define it, it is a relational, “communicative process that can be influenced by public policy in a manner that can result in both psychic and material advantages for the poor”.

Summary

At the outset I chose to motivate my research in terms of Granovetter’s social embeddedness framework because the perspective’s central preoccupation with social networks and their economic effects offered useful insights into the overarching question of the thesis, as encapsulated in the popular aphorism that “We black entrepreneurs live together but work separately [unlike our white counterparts who live separately but work together].” On at least two levels, the Granovetterian approach provided a natural starting point to frame the study of the networks of small black entrepreneurs. On the one hand, as a fundamental critique of neo-classic reductionist instrumental rationality models, the perspective stresses multiple motives of instrumental and non-instrumental action. In particular, by accommodating the importance of trust or solidarity in small-scale horizontal social interactions, the theory was well-placed to guide me in the interrogation of traditional solidarity motives in the action of many black entrepreneurs. On the other hand, as an equally fundamental critique of the reductionism of the normative hegemony characteristic of Parsonian over-socialised models, the approach acknowledges the role of larger structural contexts, particularly social networks, in conditioning the economic action of individual actors.

In addition, by making room for other larger contextual drivers of human action besides social networks such as institutional, cultural or historical trends, Granovetter’s latter day research agenda on the “relational bases” of social structure would seemingly provide a satisfactory conceptual framework to guide my research question. In fact, as I initially studied Granovetter, I reckoned that his followers, especially the hardcore structural partisans, tended to inflate the chasm between social embeddedness formulations and relational analysis. Granovetter’s original approach to the relational bases of social structure, and certainly his

latter-day modifications, appeared to be far more accommodating of the role of institutional, cultural or historical trends in accounting for human action than his disciples would have it.

However, as Granovetter himself acknowledges in later comments, the emphasis on the structural elements of the larger context, as popularised in empirical research on the “strength of weak ties” and “structural holes,” detracted from the adequate treatment of non-structural factors. Ultimately, though, in view of the conceptual premise that takes the structures and their connectedness as given, even though acknowledging an important role for agency, I concluded that the social embeddedness paradigm, for all its valuable insights, proved inadequate to help me make sense of the emerging patterns in my research context. Thus, while the structurally-biased Granovetterian approach did provide the early intellectual impetus and an a priori conceptual background, it was to relational sociology, which in the meantime I discovered midway through my fieldwork that I turned to for a theoretical framework.

Indeed, relational sociology guided me specifically through the ethnographic stages of my research and underpinned my analytical strategies, providing me with the theoretical tools to understand what I was seeing in my fieldwork. Relational sociology understands networks as dynamic, socio-cultural formations and thereby is concerned with the production of meaning and the collaborative emergence of actors, which results out of transformations instead of combinations of entities involved (Muetzel, 2009:875-878). First and foremost, the perspective enabled me to give a more thickly cultural nuance to the personal and business networks of small black entrepreneurs than would otherwise have been possible with the embeddedness framework.

The chapter ended with a cursory review of the influential capability approach to development and its conception of culture, viewed as a relational phenomenon – among individuals, among groups, and within ideas and perspectives. Culture is concerned with identity, aspiration, symbolic exchange, communication, and structures and practices that serve relational ends, such as ethnicity, ritual, norms, and beliefs (Rao and Walton, 2004). This focus on relationality brought to light the remarkable conceptual convergence between contemporary understandings of culture in development thinking and relational sociology. The latter, with its emphasis on cultural meanings, conceives culture and structure, language and relational ties as *fused* within a socio-cultural setting.

Nowhere is the role of cultural meanings in mediating structural outcomes and individual agency more apparent than in religious beliefs and practices. As religion is inextricably linked to culture, the human development and capability approach pays particular attention to religion as a source of moral values that shape our interpretation of what constitutes ‘good’ social change or development (Deneulin, 2009:261). We thus turn to this theme in the next chapter with specific reference to the sociology of Pentecostalism. This will guide the discussion on the entrepreneurial consequences of Pentecostal conversion, which intersect with, but extend far beyond, the networks of small black entrepreneurs. Considering religion as congeries of beliefs and practices that offer potent meaning systems, the next chapter ties back in with the theoretical discussion of relational sociology and its cultural emphases, highlighting some of the implications of the relational turn for the study of religion.

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Chapter Two

Situating myself theoretically: the Pentecostal nexus

Introduction

As I grappled with the networks of small black entrepreneurs, with particular reference to such resources as social capital and social trust, it became apparent that net of socio-economic and demographic circumstances, religious affiliation, specifically Pentecostal conversion, was a major factor influencing the make-up of social ties and the structure of the networks of small black entrepreneurs. Unlike their non-Pentecostal counterparts, who claim “to live together but work separately,” Pentecostal entrepreneurs appeared to “live separately and work together.” In fact, Pentecostal influence extended well beyond the dynamics of social capital and trust, and affected issues at the very heart of entrepreneurship such as risk taking and proactiveness, and an overall cultural orientation conducive to mainstream entrepreneurship. This prompted me to pause and expand the remit of my research, and take a closer look at the workings of Pentecostal faith, consequently necessitating familiarisation with the relevant literature.

In this chapter I want to do two things, viz. to provide a general theoretical background to the sociological study of religion, with particular focus on Pentecostalism and its influence on socio-economic development, and to articulate a conceptual framework that incorporates the insights of relational sociology in the [neo-Weberian] study of the Pentecostal entrepreneurs. But we must begin by succinctly answering the question as to why, after all, religion matters in the Postmodernity when it was all but discounted as declining in influence.

The demise of secularisation

In 1980, *World Development* published a special issue entitled “Religion and Development.” Bemoaning the discrepancy between the realities of previously colonised countries on the one hand and the aspirations of a development project modelled on processes that had occurred in the colonising societies on the other, the editors called for a re-evaluation of the relationships between development and religion (Wilber & Jameson, 1980:6). Their plea fell largely on deaf ears, however. Despite the role and the phenomenal growth of Christian churches in Latin America, Africa, and Asia, religion was neglected both by post-colonial governments which sought “to emulate the development trajectory of Europe and North America, and the

emerging academic field of *development studies* that sought to provide the supporting analysis for the transformation of postcolonial societies” (Deneulin and Rakodi, 2010:45).

Scholars agree that the many reasons for this neglect included the long history of religious competition for dominance and state control in Western Europe, which had led to a preference for church-state separation; a belief in the capacity of governments to deliver prosperity and wellbeing; the confidence that economic policies could deliver economic stability, growth, and prosperity; and, crucially, a perception of religion as irrelevant to modern societies and a constraint on progress. Thus, the neglect of religion in the halls of academe in general, and in the academic field of development studies in particular, as well as in development policy reflected historical and cultural processes in the colonising countries more than the reality in newly independent countries (Deneulin and Rakodi, 2010; Casanova, 2009; Berger, 2001a).

Of course, most sociologists dealing with religion in the 1950s and 1960s believed that religion was not important to development processes, for, as societies develop and modernise, it was assumed that they would also undergo a process leading necessarily to a decline of religion. This assumption was systematised in the so-called secularisation theory, which for most general purposes can be defined quite simply as a process whereby religion diminishes in importance both in society and in the consciousness of individuals (Berger, 2001a). More specifically, secularisation refers to empirical-historical patterns of transformation and differentiation of the institutional spheres of “the religious” (ecclesiastical institutions and churches) and “the secular” (state, economy, science, art, entertainment, health and welfare, etc.) from early modern to contemporary societies (Casanova, 2009).

The assumptions of the dominant theories of secularisation have postulated a progressive decline of religious beliefs and practices with increasing modernisation, so that the more modern a society the more secular; that is, the less “religious” it is supposed to become. These assumptions, based on a particular and contingent historical process, were elevated to some general universal historical model. Indeed, as Casanova (2009:1063) reminds us, “the secular emerged first as a particular Western Christian theological category, a category that not only served to organize the particular social formation of Western Christendom, but structured thereafter the very dynamics of how to transform or free oneself from such a system.” Eventually, however, as a result of this particular historical process of secularisation, ‘the secular’ has become the dominant category that serves to structure and

delimit, legally, philosophically, scientifically, and politically, the nature and the boundaries of 'religion' (Casanova, 2009:1063). Moreover, this particular dynamic of secularisation became globalised through the process of Western colonial expansion.

Elaborating on the uniqueness of the European historical process, Casanova (2009) suggests that "this secularist stadial consciousness is a crucial factor in the widespread secularization that has accompanied the modernization of Western European societies." Europeans tend to experience their own secularisation, that is, the widespread decline of religious beliefs and practices among their midst, as a natural consequence of their modernisation. Thus, to be secular is not experienced "as an existential choice modern individuals or modern societies make, but rather as a natural outcome of becoming modern" (Casanova, 2009:1055). In this respect, the theory of secularisation mediated through this historical stadial consciousness tends to function as a self-fulfilling prophecy. In Casanova's (2009:1055) view, it is the presence or absence of this "secularist historical stadial consciousness" that explains when and where processes of modernisation are accompanied by radical secularisation. In places where such secularist historical stadial consciousness is absent, as in the United States or in most non-Western postcolonial societies, processes of modernisation are unlikely to be accompanied by processes of religious decline. On the contrary, they may be accompanied by processes of religious revival (Casanova, 2009:1055).

In short, within the social sciences, and particularly within sociology, a general, if ethnocentric, theory of secularisation was developed that conceptualised these modern European historical transformations, which later became increasingly globalised as part and parcel of a general teleological and progressive human and societal development from the primitive 'sacred' to the modern 'secular.' The thesis of 'the decline' and 'the privatisation' of religion in the modern world became central components of the theory of secularisation.

However, both the decline and the privatisation theses have undergone numerous critiques and revisions in the last 15 years (Casanova, 2009). In his early career Peter Berger, one of the most prominent contemporary sociologists of religion, was implicated in the articulation of the secularisation theory. Gradually, though, he changed his mind, "not because of some philosophical or theological conversion," as he puts it, "but because the weight of the empirical evidence made it increasingly difficult to adhere to it" (Berger, 2008). For example, the fact that there are some modern non-European societies, such as the United States or South Korea, that are fully secular in the sense that they function within the same immanent

frame and yet their populations are also at the same time conspicuously religious, or the fact that the modernisation of so many non-Western societies is accompanied by processes of religious revival, should put into question the premise that the decline of religious beliefs and practices is a quasi-natural consequence of processes of modernisation (Casanova, 2009:1053).

In the circumstances, scholars acknowledge that the major change of mind in the sociology of contemporary religion is the abandonment of the old secularisation theory, such that the majority of sociologists dealing with religion today no longer adhere to the question of modernity and secularisation (Berger, 2001a; 2008). Berger notes, however, that this does not mean that there is no such thing as secularisation; “it only means that this phenomenon is by no means the direct and inevitable result of modernity”⁶ (Berger, 2001a:445). Casanova agrees: the core of the theory – the understanding of secularisation as a single process of differentiation of the various institutional spheres or subsystems of modern societies, understood as the paradigmatic and defining characteristic of processes of modernisation – remains relatively uncontested in the social sciences, particularly within European sociology (Casanova, 2009:1050).

By the same token, given the continuing importance of religion in people’s lives and identities, especially in developing countries, development academics and practitioners nowadays are reconsidering one of the assumptions upon which development studies have often been based: that secularisation is a universal, desirable, and irreversible trend (Jenkins, 2007; Deneulin and Rakodi, 2010). Furthermore, in tandem with a growing public hostility against secular society (Lough, 2006), discussions of the global socio-cultural and economic matrix and its religious dimensions have grown in importance since the collapse of Marxist socialism and the resurgence of religious, national and ethnic identities (Roberts, 2002).

Thirty years after the publication of the special issue on “Religion and Development” by *World Development*, the journal reassesses the treatment of religion in development studies, concluding that “it was not until much more recently that academics in development studies, as well as those involved in development projects and programs, started to respond in more appropriate ways” in view of the changes in the social and political context (Deneulin and

⁶ Berger argues that there are two notable examples of the persistence of secularity, viz. among what he calls “secular *Internationale*” consisting of influential intellectuals with Western-style higher education, and secondly, a geographical exception to the pulsating ubiquity of religion in the contemporary world – as that in western and central Europe (Berger, 2001:445-446; 2008:3).

Rakodi, 2010:45). Recognising that religion deeply influences people's construction of meanings about the world, Deneulin and Rakodi (2010) throw down the gauntlet and invite development studies to engage with believers' interpretations of social, economic, and political reality in the light of their faith:

“Because religion is fundamental to people as they try to make sense of and give meaning to their lives, and because it is one of the primary sources of values and morality for the majority of the world's population, it is important that development studies acknowledges the religious dimension of people's lives; understands the relationships between religion, societies, and states; and appreciates the motives and characteristics of the organizational expressions of the faith traditions (....). In other words, religion needs to be “brought back in” to development research so that our understanding of challenging development issues can be improved” (Deneulin and Rakodi, 2010:52).

In tune with the zeitgeist, The World Bank study *Voices of the Poor* (Narayan et al, 2000), gathered the voices of thousands of ‘poor’ people throughout the world in order to understand how they themselves understood their own respective poverty and well-being. One of its major findings was that religion permeates people's conception of well-being:

“For many, a spiritual life and religious observance are woven in with other aspects of well-being. Poverty itself could get in the way. An old woman in Bower Bank, Jamaica says, ‘I got up this morning and all I want to do is read my Bible, but I share a room with my son and my grandchildren and all they do is make noise, I can't even get a little peace and quiet.’ (...) In Chittagong, Bangladesh, part of well-being is ‘always [being] able to perform religious activities properly.’ For older women in Cassava Piece, Jamaica, their church gives them a spiritual uplift and physical support. The importance to poor people of their sacred place – holy tree, stone, lake, ground, church, mosque, temple or pagoda – is repeatedly evident from their comparisons of institutions in which these frequently ranked high, if not highest” (Narayan et al, 2000:38).

The study argues that this finding about people's valuation of religion as a central part of their lives has considerable consequences for the way development has been conceived and practised thus far. Reflecting on poor people's perception of poverty has driven the World Bank researchers to revisit the meaning of development. What is significant change, and what is good? And which changes, for whom, matter most? “Answers to these questions involve material, physical, social, psychological and spiritual dimensions. [...] The increments in well-being that would mean much to the poor widow in Bangladesh – a full stomach, time for prayer, and a bamboo platform to sleep on – challenge us to change how we measure development” (Narayan et al, 2000:234).

According to Deneulin (2009), *Voices of the Poor* presents a challenging conclusion. If religion is central to how people conceive of a ‘good life,’ along with health, education, shelter, material security and other needs, then conventional development practices which have hitherto ignored religious dimensions will necessarily have to be transformed (Deneulin, 2009:266). For example, Alkire (quoted in Deneulin, 2009) describes a case study of a

development project in rural Pakistan that fully integrates such values, including religious ones. A group of women had to decide between a goat-rearing and a rose-cultivation project. Although the goat project yielded more income, the women opted for rose cultivation because this enabled them to do more things they valued, such as the ability to use roses in their religious ceremonies, and the ability to walk in the rose fields and experience peace of mind and unity with their Maker. The spiritual dimension of well-being was seen by the women as being as important as the material dimension (Deneulin, 2009:266).

Incidentally, bringing religion back into development research is not without epistemological and methodological challenges, considering that the constituent disciplines of the field are dominated by the positivist tradition. Deneulin and Rakodi (2010:52) argue for the adoption of interpretivist approaches that can portray the religious values and beliefs held by adherents, as well as the meaning of rituals in which they participate and symbols they use, through their eyes as far as possible, thereby enabling “development studies to fulfil its potential by providing analysis of social phenomena for the sake of improving people’s lives (Deneulin and Rakodi, 2010:52).” We shall have more to say about this in subsequent sections and chapters.

In South Africa, despite some 80 percent of the population professing to be Christian, and despite the sound track record in recent decades of sections of the established mainstream churches with international linkages having played a prominent role in opposing apartheid, a flood of postliberation political, developmental, ideological and quasi-intellectual jargon about poverty and inequality has usurped the social role of religion (Schlemmer, 2008). Brown (2009:6) points to the difficulty, even the “shuffling embarrassment” experienced by postcolonial scholars in a variety of human and social science disciplines in their engagement with the religious or spiritual. In its (patronizing?) dismissal of the centred subject, and its rejection of the transcendent signifier (God/the gods/spirit/truth), the poststructuralist turn in postcolonial studies has proved itself to be equally inimical to the serious and nuanced study of religious practice and belief (Brown, 2009:8).

The secular Internationale notwithstanding, one phenomenon that can no longer be ignored or downplayed, consistent with global patterns, is the explosive growth of Pentecostal and Charismatic churches. In fact, as Berger puts it, “this is not a phenomenon among many in the contemporary religious scene; it is by far the biggest and the most explosive, and yet many people in academia and the media are totally unaware of it. It is, if you will allow the

metaphor, the elephant in the living room” (Berger, 2008:6). A major and otherwise well-informed South African think-tank recently discovered a “world of activity, energy, and entrepreneurship previous unknown... flying under the radar screen of politicians, intellectuals, and journalists” (CDE, 2008:5).

The rise of Pentecostalism

Jonathan Sacks (2005) has documented the growth and decline of various Christian denominations in America. He found that those that were prospering were groups like the Southern Baptists, Pentecostals, Seventh Day Adventists, Jehovah’s Witnesses and the Mormons. What they had in common is that they rejected the accommodations of the mainline churches. They were absolutist, highly disciplined and zealous to proselytise. They demanded and evoked strong commitment. They provided clear answers to moral and metaphysical questions. The more liberal, “accommodationist” organisations have declined. Conservative and evangelical movements have continued to grow. According to Sacks, it seemed as if “a large-scale cultural conversion was taking shape, a turning of the tide. Secularized Christians were being born again” (Sacks, 2005:74-75).

It seems clear that in much of the world there are extremely powerful upsurges of religious movements, some of them having far-reaching social and political consequences. Paramount among these is the explosion of Evangelical Protestantism – the millions who define themselves as “born-again Christians” – especially in its Pentecostal version (Berger, 2001a). Pentecostal movements are arguably one of the most significant religious experiences of the last century⁷. It has been argued that Pentecostalism is both a social-religious phenomenon and an alternative movement in the life and mission of the Christian church (Campos, 1996). The movements have a massive presence in a multitude of societies throughout the world, but have made the biggest impression in the USA, Latin America, sub-Saharan Africa, and parts of Asia, with some surprising outposts elsewhere, such as among European Gypsies and among Hill tribes in India (Hastings, 2000).

Scholars begin with the premise that Pentecostalism is above all a religious *movement* and not a ‘denomination’ or a ‘religious organisation.’ Although there are religious communities within both Protestantism and Catholicism that call themselves ‘Pentecostal’ or ‘charismatic,’

⁷ The current dramatic growth of independent Pentecostal churches can be broadly understood as a third wave of Protestantism. The first wave was the Reformation of the 16th and 17th century and the second was the revivalist movement in the United States – which led to the formation of a series of church groupings, including the Assemblies of God – in the early 20th century (Garner, 2000; CDE, 2008).

it is its character as a *movement* that produces Pentecostalism's visible fruits (Campos, 1996). While the latter is the preferred subject of most sociological enquiries, which thereby emphasise Pentecostalism as a popular movement of social change, failure to consider Pentecostal spirituality and its theological perspectives would deform any hermeneutic of Pentecostalism (Campos, 1996). For this reason, many sociological attempts to interpret Pentecostalism fail to comprehend Pentecostalism's ability to give meaning to life, bestow social identity on the hopeless, give power to the weak, and even provide ideological legitimisation to the upper classes (Campos, 1996; Mariz, 1998).

According to Pentecostal believers themselves, Pentecostalism is neither a simple socio-religious phenomenon, nor a mere product of the political-religious expansionism of North American capital. For believers, Pentecostalism is the result of God's action through the Holy Spirit which erupted on Pentecost in the first century of Christian history⁸. It is frequently said that while the broader evangelical revival movement emphasises Jesus as the focus of faith, the Pentecostal movement emphasises the Holy Spirit. At its core is usually a re-conversion experience called 'baptism in or with the Holy Spirit,' harking back to the descent of the Holy Spirit upon the first Christians in Jerusalem on the day of Pentecost. Pentecostals believe that those baptised in the Holy Spirit may receive other supernatural gifts that purportedly existed in the early church, such as the ability to prophesy, interpret strange tongues, and heal, thus leading to the Faith Healing characteristic of the Pentecostal churches. The Pentecostals also traditionally emphasised – and to varying extents still emphasise – moral rigour, a literal interpretation of the Bible, and a commitment to seeking salvation before Christ's Second Coming (Campos, 1996; CDE, 2008).

As a spiritual movement, Pentecostalism is a builder of identities. To be 'Pentecostal,' just as to be 'Catholic' or 'Protestant,' is a way of being in society. Pentecostalism assumes different forms, according to the social, cultural and religious background or the class identity of the practitioners. As a spiritual movement, Pentecostalism has neither class, ideological, territorial, nor confessional boundaries. It can penetrate antagonistic social classes as well as conflicting historical processes. In Western Europe, for example, the Pentecostal movement has resisted secularisation, European Pentecostalism being known for its unbounded religious experiences and the creation of alternatives to traditional religious practices. In Latin

⁸Pentecost is the founding event of the Pentecostal experience. The movement's name, organisational inspiration, and missionary vocation all derive from the word Pentecost.

America, where religious belief continues to be so deeply rooted and where secularisation has been relegated to the realm of social protest, the Pentecostal movement has had great social impact and now threatens the religious hegemony of Roman Catholicism (Martin, 1990; Campos, 1996; Mariz, 1998).

By the same token, Pentecostalism is undoubtedly the most evident growth point in contemporary African Christianity, as it is in many other parts of the world (Maxwell, 1998; Hastings, 2000). Christian churches in Africa are usually divided into four main categories: Roman Catholic, mainstream Protestant, African Independent, and new Pentecostal and charismatic churches (Hastings, 2000; Garner, 1998; 2000). If in the 1980s African Independent Churches (AICs) were found to be attractive, by African Christians as well as researchers, above all because they seemed to offer a more ‘authentic,’ Africanised version of Christianity than do the presumably Western-oriented mainline churches, current Pentecostal-Charismatic Churches (PCCs) appear to derive their mass appeal at least partly from propagating a “complete break with the past” (Meyer, 2004). Dissociating themselves from both mainline churches and African Independent, or as they call them, ‘Spiritual’ Churches, the new PCCs promise to link up their born-again believers with global circuits (Meyer, 2004:448).

As is the case elsewhere in sub-Saharan Africa, Pentecostal and charismatic churches are now the fastest growing religious groupings in South Africa, and are likely to overtake the mainstream Protestant churches in the near future. Already about 12.5 million South Africans – around one third of all Christians – are members of such non-mainstream churches, and their numbers are growing fast, while those of the mainstream churches remain static (Garner, 2000; CDE, 2008). The expansion of Pentecostal and charismatic churches – by 55 per cent between the 1996 and 2001 censuses – is consistent with global patterns. According to international authorities, Pentecostal and broadly associated charismatic religions now have between 200 and 250 million adherents in 150 countries and are growing rapidly, particularly in the developing world. However, in South Africa the speed, extent and diversity of growth in Christian churches that do not fall in the mainstream is a largely hidden story, and is also not well understood (Garner, 2000; CDE, 2008) Something in particular is missing from our understanding of this silent religious revolution (CDE, 2008:6)⁹.

⁹ According to the Centre for Development and Enterprise, there are some understandable reasons why the rise of new Christian denominations in post-apartheid South Africa has been obscured and underestimated. First,

The sector is very varied, ranging from those which are branches of American, Swiss or Nigerian parent churches to home grown churches founded by local pastors, and small sects led by a single pastor or prophet. Their membership is also socially varied, the more successful appealing to educated urbanites whilst the smaller prophet sects recruit the lower paid, the uneducated and township and rural dwellers. By using drumming, dancing and ecstatic practices the new charismatic churches have largely supplanted the old African Independent or syncretic churches which arose originally as a reaction to the cultural imperialism of European Christianity. In organisational terms they are usually dominated by a charismatic founding leader, who uses loyal followers to administer branches and raise funds (Garner, 2000; CDE, 2008).

At stages Pentecostals have been deeply split by doctrinal differences, and have never successfully formed a single coherent organisation. Instead, individual congregations have typically come together to found the various sub-denominations that constitute the movement today. As a result, Pentecostalism includes several subtypes and categories that reflect different emphases of belief and forms of organisation. However, for the purposes of the present study, Pentecostalism is understood to comprise a group of broadly revivalist and fundamentalist Christian churches that can be distinguished from mainstream churches by the following common features (Garner, 1998; CDE, 2008:11):

- Intense spirituality, centring on rebirth experience and the supernatural (faith healing, speaking in tongues); spontaneous, enthusiastic, and participative forms of worship.
- Relatively unhierarchical and decentralised organisation, reflecting a high level of local and even individual initiative, and strongly entrepreneurial motivations.
- Relative accessibility and informality in terms of ordination and leadership; and
- Social conservatism and moral rigour potentially at odds with secular systems of rights and conceptions of democracy.

churches and religious movements outside the Christian mainstream are difficult to classify and even to make sense of. Although growth in religious movements has been concentrated in non-mainstream churches, they are so fragmented and so diverse that it has not been easy to grasp the extent of their growth, and generalise about their real and potential impact. A second hindrance to a wider and better understanding of this phenomenon is the fact that many members of the governing and other elites – and many ordinary members of society – regard unconventional religion with indifference, condescension, scepticism, and distrust. This is linked both to the power of secular influences such as socialism and liberal humanism, which have done so much to shape the basis and content of rights in our constitution, and to the hold that mainstream churches have on even unbelievers' understanding of religion (CDE, 2008, 7- 8).

Despite these broadly valid common features, it is important to note some qualifications. Some Pentecostal churches are more complex and formal than others, expressed in more developed liturgy, more demanding training and ordination, and more complex governance. At the other end of the scale are churches that closely reflect the (often authoritarian) leadership styles of their individual founders, and few other influences beyond that. Churches also differ in their interest in and engagement with the material world. While some Pentecostal congregations tend towards pietism and an otherworldly focus on a 'home in heaven,' the Pentecostal movement in general can be described as world accommodating, with some pastors at least encouraging a more active engagement with social issues (CDE, 2008:12).

According to Schlemmer (2008), subtypes within the broad Pentecostal movement in South Africa include the following major categories:

- *Classical Pentecostals* are those who are direct descendants of the 'first wave' of the Pentecostal revival in the early part of the last century. These churches have formalised their liturgy and have established rituals. They can be seen to include the Apostolic churches. Theologically they have all been influenced by pietism that emphasises Christ within the individual, has little concern for outward worldly affairs, and is focussed on the 'home in heaven'. However the Classical Pentecostals took this further and hold to the premillennial eschatology that teaches that the church will be 'raptured' or taken away before the end of the world and the second coming of Christ. This reinforces another-worldliness and a large degree of withdrawal from the world, and a concentration on the future.
- The *New Charismatics* refers to those churches that emerged from the charismatic renewal of the sixties and seventies. While they are also influenced by pietism, they have a strong emphasis on the kingdom of God in the present, not the future, and they value engagement with the world. The New Charismatics are concerned with the immediacy of what God is saying to them. Their followers tend to be concentrated in the emerging and aspirant lower middle classes (older, long-established middle classes tend to be in mainstream denominations). Black New Charismatic churches are black versions of the white churches and also tend to develop middle class values, albeit with a distinctively 'black' flavour.

In comparison with the Classical Pentecostals, the New Charismatics are highly geared for growth and expansion in terms of their message, structures and organisation. At the core of their leadership is a team modelled on the 'five-fold ministry,' as set out by Paul in Ephesians

4: the apostle, prophet, evangelist, pastor and teacher. This ‘apostolic team’ is a highly mobile, trans-local instrument that works nationally and internationally to evangelise, plant churches, ordain elders, and give teaching and direction. Pentecostals thus have a highly marketable message and an extremely slick marketing method, hence their growth.

- The *Mega-Churches* are a development in the new Pentecostal movement that came about by direct or indirect association with the faith and prosperity message that came from the US and/or the televangelists of the late 1950s, 1960s, 70s and 80s. In the circumstances, these churches have a markedly American flavour that has been a feature of Pentecostalism among white congregations and they thus have more in common with similar churches in the world than with township Pentecostals in South Africa.

- *Community-based* churches are those defined by an inner city, neighbourhood or township base and are associated with the notion of the ‘storefront’ revival centres in the Azusa Street tradition. These are not so much a part of the charismatic renewal, which by definition was rather limited to the emerging middle classes, as they were a part of the earlier Pentecostal movement. In South Africa they are usually the churches in poor communities and are dominantly black or coloured although there are such churches in the poorer white suburbs of Gauteng (Schlemmer, 2008:26).

Although they should not be approached as a monolithic entity – as previously noted, fission seems to be intrinsic to Pentecostalism and hence a broad spectrum of Pentecostal Churches with differences in doctrinal emphasis and style exists throughout Africa – they clearly share a number of significant family resemblances. A well-known student of African Pentecostalism, Meyer argues that what is distinctly new about Pentecostal and Charismatic Churches is their propagation of the Prosperity Gospel and their strong global inclination (Meyer, 2004:454). By the same token, South African Pentecostal churches are by and large strongly influenced by global Pentecostalism, with particularly dominant strands coming from the United States and also from Latin America, especially Brazil, as well as West Africa, especially Nigeria. However, some local Pentecostal churches have features unique to Africa, due to a degree of cross-fertilisation between them and African Independent Churches (CDE, 2008:15). Now, if AICs “remain community enterprises within, resisting modernization in the capitalist sense,” current Pentecostal-Charismatic Churches do not engage in this type of resistance and, on the contrary, even seem to eagerly embrace capitalism (Meyer, 2004:454). This brings us closer to the main focus of the present review,

which was prompted by the empirical realisation that small Black Pentecostal entrepreneurs appeared to exhibit structural and cultural attributes that set them apart.

Having considered the demise of the secularisation assumptions in view of the significant force that religion remains in both the public and private spheres across much of the world, and briefly discussed the rise and tenor of the Pentecostal movement, next we examine the influence of Pentecostalism on socio-economic development. With much current research on Pentecostal churches exploring the personal, cultural, political, social, and economic dimensions of being born-again, our focus will be on the growing body of empirical evidence from Latin America and Africa suggesting that the growth of Pentecostalism and allied evangelical Protestantism is associated with attitudes, habits, and dispositions that legitimate modernity and promote market-led growth (Garner, 2000; Meyer, 2004; CDE, 2008). In order to do so credibly, however, something needs to be said at the outset about the classical foundations of the link between religion and modern capitalism.

Pentecostalism and socio-economic development: The Weber Thesis

A century long debate on the role of Protestantism in the development of modern capitalism was sparked by the work of Max Weber. Arguably the best known of all social hypotheses, the “Weber Thesis” is most fully advanced in the 1904/1905 essay *The Protestant Ethic and the Spirit of Capitalism* (1958), but is also considered in *The Protestant Sects and the Spirit of Capitalism* (1948) and *Economy and Society* (1979). Of course, Weber’s argument is so celebrated that it would seem superfluous to reiterate it here. But debate usually centres on the initial essay (and a caricature at that), not on Weber’s “mature” position. We will look, in turn, at the relationship Weber identified, the mechanisms which he advanced to explain it, and the qualifications to the thesis which he himself identified.

Supported by a brief analysis of the religious composition of different school types in late 19th century Europe, he makes a generalised observation that most business leaders, owners of capital, and highly skilled workers, are Protestant rather than Catholic. He takes almost as given his wider claim that the areas of Europe (Holland, Britain) and North America (the British colonies) which were most economically advanced in the modern era were also the areas in which Protestantism, and especially the Puritan strain (which he sets in contrast to Lutheranism and Anglicanism), were strongest.

To explain this connection Weber argues that Puritan religion was to some extent the cause of economic leadership, through the psychological and social consequences of its theology. Weber discerns as the overriding characteristic of this theology ‘inner-worldly asceticism,’ understood as an individualistic and rational force directed towards change or at least control. Although this is often associated with early Calvinism, Weber also examines other varieties of Puritan religion (e.g. Pietism, Methodism and the Baptist sects) and analyses the contribution of each to the processes leading to the rise of modern capitalism. These can all be arranged across key categories relevant to the emergence of capitalist enterprises, viz. legitimacy, trust, lifestyle and worldview.

Thus, the first achievement of Puritanism was to provide theological legitimation: for work as a spiritual pursuit; for accumulating; and for economic inequality. The first step in this process is the spiritual uncertainty associated with Puritanism. In Calvinism, this derives from an emphasis on the doctrine of predestination, in which the believer has absolutely no capacity to alter their eternal destiny:

“In its extreme inhumanity this doctrine must above all have had one consequence for the life of a generation which surrendered to its magnificent consistency. That was a feeling of unprecedented inner loneliness of the single individual.” (1992:104)

As Weber later noted, this doctrine might just as easily have produced a lethargic fatalism (1979:573); but in Calvinism, it led to a compensatory belief in the possibility of assurance through “vocation” or “calling” – the idea that the pursuit of earthly work was a spiritually worthy ambition. Salvation could never be known with certainty, but the evidence of God’s blessing in material concerns could be seen as implying his intention to redeem. In Methodism, Weber also finds spiritual uncertainty, this time the result of Wesley’s doctrine of sanctification; this quest for holiness through rigorous ethical application also translated into the pursuit of an earthly vocation. This calling, in both of these theological traditions, begins with an exaltation of *activity* for God’s glory (1992:159,162), but with time the material consequences of this activity also became viewed as signs of divine grace. Because of the pervasive asceticism of Puritanism, the money and goods gathered through careful and conscientious work could never translate into prodigality or conspicuous consumption. The result is a theological legitimation of accumulation for the entrepreneur (1992:53), and of lifestyle patterns that lead almost inevitably towards it. The same doctrines of predestination, vocation and asceticism legitimate the diligent subservience of the low paid worker (1992:178), and the inequality of economic outcomes as the will of God (1979:588).

The second effect of Puritanism is to create communities of believers, based on trust. Weber found this to be strongest in the other two forms of Puritanism, Pietism and the Baptist sects, and he devotes greater attention to it in his later essay on these sects in the United States (1948). A key element is the voluntary nature of these groups, in contrast to the hereditary nature of “churches:” the latter distribute grace automatically, through infant baptism and unconditional membership; the former base admission on the attainment of moral and religious status, through conversion and adult baptism. Discipline is exercised through these sects, so that exclusion is possible in the case of moral lapses of any kind. Hence membership of such a sect makes a statement to the whole community about the moral probity of the individual concerned: “Admission to the congregation is recognized as an absolute guarantee of the moral qualities of a gentleman, especially of those qualities required in business matters” (Weber, 1948:305). Elsewhere, Weber notes how religious groups of many types effectively promote stereotypical behaviour through peer pressure and socialisation (1979:406, 528); and that this influence is strongest when linked to a doctrine of salvation by process (like Wesley’s sanctification) or sudden repentance (the Baptists), as opposed to transmission through ritual, i.e. the sacramentalism of established churches (1979:530 561) or indiscriminate salvation (universalism). In voluntary sects, the moral and spiritual prerequisites of membership create trust both within that sect, and between similar sects.

The third effect Weber notes is the development of rationality and individualism in the Puritan worldview, and the consequences of asceticism for lifestyle. The unmediated religious experience of all Protestantism, its suspicion of authoritarianism, and the emphasis on personal salvation in most forms of Puritanism, contributed to the growth of individualism. For Weber, this is an important precondition for bourgeois entrepreneurialism, perceived as an engine of economic progress. This individualism is in tension with the communitarian quality of the sects, and Weber believes this tension is endemic to the New Testament. Rationality is also an ambivalent province for Christianity. Weber argues for a strong link between ethical religions and economic rationality (1979:480), and in the case of the sectarian Christians, this rationality is a product of the ethical consistency and rigour required for membership (1948:320). But ecstatic religion, such as emotional pietism (1992:130-1), tends to undermine the processes of rationalisation and the systematisation of life (1979:538); chiliastic sects may even promote the revolutionary disruption of society (1979:550). What is unambiguous is the propensity of Puritanism to encourage the traits of

worldly asceticism in personal behaviour, otherwise collectively called “work ethic:” probity, sobriety, frugality, chastity, prudence, and diligence.

In these ways, Weber saw Puritanism as one of the causes of early capitalist development. But his work contains several qualifications to this thesis, which can be grouped into two categories. The first is the paradoxical nature of this link, the second the ambiguity of the causation.

First of all, Weber finds in Puritan authors a ready acknowledgement of the dangers of wealth. Baxter saw the pursuit of wealth as leading to spiritual sloth; Wesley could see that the combination of diligence and thrift would produce prosperity, and that this would in some cases produce a love of money that was injurious to spiritual health. The link between this theology and economic prosperity is almost accidental, and its justification of wealth unintended. It is not the doctrines themselves that promote capitalism, but the ethical conduct that the doctrines (wittingly or unwittingly) promote (1992:321). Another paradox is that capitalism and economic rationality hardly encourages religious belief (1979:486); they may in fact come into conflict with it, over specific laws (e.g. usury), or as alternative source of authority (1979:584). Economic rationality has outstripped the religious basis that gave it birth, and itself becomes the parent of secularism (1992:183).

Secondly, Weber underlines the complexity of the causal link between ethical religion and capitalism. While he rules out the purely materialist view that it was in fact capitalism which produced Puritanism (1992: chapter 2; 1979:480), he stresses that religious reasons alone were not responsible for the modern economic order:

“Religion nowhere creates certain economic conditions unless there are also present in the existing relationships and constellations of interests certain possibilities of, or even powerful drives towards, such an economic transformation” (1979:577).

In a nutshell, on the one hand Weber’s thesis remains basically historical in character, offering an intentionally one-sided argument in terms of which the breakthrough to modern rational capitalism as a life-world was facilitated by Protestant morality, more specifically the Puritan work ethic. On the other hand, however, it does not argue that Puritan theology was either necessary or sufficient to ‘cause’ modern rational capitalism to emerge, but that it did create a system of meaningful action that functioned historically as the last intensification in a causal chain that led to modern capitalism (Lough, 2006). Famously Weber’s classic “switchman” metaphor suggests that ideas behind the religious beliefs of Calvinists steer the

direction of the forces that were already in motion. The combination of technologies that facilitated capitalism and the ascetic habits of the Calvinists allowed capitalism to flourish in Europe and spread to the Americas. This historical point is all Weber needed to carry on a “dialogue with the ghost of Karl Marx.”

Of course Marx’s classic statement on religion was that “Religion is the sigh of the oppressed creature, the sentiment of a heartless world, and the soul of soulless conditions; it is the opium of the people” (Marx, [1843] 1978:54). In its traditional form the Marxian interpretation of religion has tended to be overly economic on the one hand, and overly simplistic on the other. As part of the ideological and cultural superstructure, religion is viewed as a sublimated efflux of material life-processes, and a tool that serves the economic and political interests of the dominant class. In the *German Ideology*, Marx argued that:

“We set out from real, active men, and on the basis of their real life-process we demonstrate the development of the ideological reflexes and echoes of this life-process. The phantoms formed in the human brain are also, necessarily, sublimates of their material life-process, which is empirically verifiable and bound to material premises. Morality, religion, metaphysics, all the rest of ideology and their corresponding forms of consciousness, thus no longer retain the semblance of independence” ([1845-6] 1978:154-155).

Neo-Marxist scholars see cultural movements such as Pentecostalism as symptoms rather than solutions. Religious movements, in this view, clearly manifest discontent with conditions of inequality, poverty, and suffering, but they are backward looking and inconsequential as solutions. Manuel Castells (2000) has provided a modern-day version of this theory in his trilogy, *The Information Age*. In his view, transportation and communication technologies have reconstructed modern society away from nation-states towards global networks of dominant classes that are shadowed by excluded masses. The latter have no place in the network society, yet their traditional ways of life are threatened and undermined by it. In Castells’ analysis marginalised peoples create reactive identity movements that look to establish and reaffirm local identities. However, these movements are poorly situated to facilitate any gain in agency among the marginalised and are therefore largely irrelevant and superfluous. In this view, poverty and underdevelopment are the result of social structure, not culture. If certain types of culture correspond to poverty, this is because poverty creates the culture, not vice versa (Castells, 2000).

However, other commentators with Marxian leanings acknowledge that contemporary religion is not a tool that serves the economic and political interests of one class over another (c.f. Lough, 2006). To the contrary, contemporary religious subjectivity and practice bear

“too intimate a relationship to the social formation as a whole for us to delegate them to one class or another” (Lough, 2006:4). Indeed, it would not be too strong to say that it is capitalism and not religion that is the surface phenomenon. Religion to the contrary is the spiritual force that bears contemporary social reality, including contemporary social subjectivity, forward under capitalism. Far from being epiphenomenal, contemporary religion stands at the heart of capitalist modernity (Lough, 2006:4).

Boon or bane: the empirical evidence

How relevant is, then, the Weberian historical thesis to the question at hand concerning the influence of Pentecostalism on socio-economic development? As Berger (2001a:450) puts it, “the ghost of Max Weber continues to show remarkable signs of life.” To be sure, it must be said that Weber has made an enormous comeback in many subfields of sociology and social anthropology, including economic and political sociology (Kane, 1991; Swedberg, 1998; Billig, 2000). After more than two decades in which Marxist approaches have dominated, economic sociologists and anthropologists are increasingly looking to Max Weber as the venerable ancestor who asked the most prescient questions about the relationship between economy and culture. Rather than viewing culture as part of the epiphenomenal superstructure determined “in the last instance” by material forces, neo-Weberians integrate a meaning-centred view of culture into their institutional and social analyses and view all of social life – including economic life – as animated by culture. Whereas an older [Polanyian] tradition viewed economic life in non market-oriented societies as being “embedded” in the social and cultural, neo-Weberians see such cultural embeddedness even in the most urban, complex, capitalist settings. The neo-Weberian approach is, in this sense, an economic sociology more in tune with the interpretive, cultural turn in many contemporary social sciences, a topic that we will address in a subsequent section (Billig, 2000:771-772).

In the field of sociology of religion, Peter Berger and David Martin undoubtedly stand out as the preeminent figures in neo-Weberian studies that explore the link between contemporary Pentecostalism and economic development.¹⁰ Berger claims that Pentecostalism exhibits precisely the features of the Protestant ethic that are functional for modern economic development and as such should be viewed as a positive resource for modern economic development (Berger, 2008). Granted, Pentecostals are not puritans – their strong emphasis

¹⁰ Peter Berger’s Institute for the Study of Economic Culture at Boston University has as its neo-Weberian agenda the relation of culture, specifically religion, and economic behaviour, adopting a broadly cross-national approach.

on becoming prosperous and showing off wealth distinguishes them from early modern Protestantism. As Berger puts it, “they are far too exuberant, and they have characteristics that would have appalled the Puritans, beginning with speaking in tongues” (Berger, 2008:6). Nevertheless, there is likely much overlap between the Protestant modes of conduct that Weber found to be typical of early Protestantism. Pentecostals do correspond to the aforementioned elements of an inner-worldly asceticism, including hard work, frugality, and delayed gratification (Berger, 2001a; 2008).

While the Protestant ethic was a major driving force behind the development of capitalism, after this considerable initial impact the Protestant ethic gradually declined, and today, as Berger (2001a; 2008) notes, is present only in an attenuated form in mainstream Protestant churches. In Pentecostalism, however, there is at least a parallel interpretation, namely that the Holy Spirit, after baptism, can display gifts of mercy and salvation, and that signs of these gifts are also found in demonstrations of exemplary behaviour, prosperity, and progress in this world. Furthermore, the nature of Pentecostalism – individually located, voluntarist in religious election, populist and lay-orientated in self-organisation, activist and missionary in its orientation to the world – comes close to the Calvinist model, and places the movement broadly within Weber’s description of the Protestant ethic, notwithstanding the fact that the spiritual and religious dynamics behind these behaviour patterns differ significantly from those of early Protestantism (Berger, 2001a; 2008). Thus the question of the relationship between capitalist culture and an ethic of inner-worldly asceticism is as relevant today as when Weber wrote his essay on the Protestant ethic (Berger, 2001a; 2008).

David Martin’s (1990) influential study of the explosion of Protestantism in Latin America is generally credited with the revival of the Weberian debate over the relation between the so-called third wave of Pentecostal Protestantism and economic culture. These churches had tremendous appeal especially for young people, who seek to eschew gerontocratic hierarchies and aspire to progress in life, yet, as Meyer intimated, think that this goal can be achieved only through a “God-given miracle” (Meyer, 2004:460). Since then, a number of empirical studies especially in Latin America and Africa have shown that the growing influence of what is known as the prosperity gospel of certain forms of Pentecostalism (often known as the born-again movement) has implications for the formation of capitalist attitudes and

activities. Briefly, the gospel of prosperity can be summarised as follows.¹¹ Prosperity and abundance are God's design and favour to which a Christian has an absolute claim. Poverty, on the contrary, is the work of Satan, a sign of sin and a consequence of insufficient faith. To acquire prosperity, a Christian needs to sow "the faith seed" in the form of generous tithes and offerings made for the work of God. In return he or she is guaranteed a bountiful harvest (wealth, prosperity and progress). Because a believer's access to prosperity can be blocked by Satan, a further means of obtaining this harvest is "deliverance," which involves casting out the demon or spirit and releasing the Christian from its grip (Coleman, 2000; Robbins, 2004).

Detractors of modern Pentecostalism contend that the movement is dependent for its doctrines, style and literature on a global network centred in the USA (Hastings, 2000). In this connection, scholars in the materialist mould have castigated the use by many born-again Christians of American Bible belt literature and resources, arguing that it has made them vulnerable to the agendas of the American New Religious Right. For example, much of Gifford's work has been devoted to demonstrating that Pentecostalism in Africa is, first, an American export. This link intrigued Gifford, prompting him to conduct his early research on the influence of European and American evangelists on Pentecostal and Charismatic Churches in Southern Africa (Gifford, 1991). For Gifford (1991), in common with the critique of liberation theologians, Pentecostalism plays the role of false consciousness, the ideology of the ruling classes (American capitalists) subtly imposed on the global proletariat (poor Africans and Latin Americans). This brand of Pentecostalism tends to reproduce the structures of inequality against which it positions itself (see also Smith, 2001), preventing important changes in government spending and policy that would bring broader prosperity. Hence Pentecostalism may be a barrier to economic development. Gifford is especially critical of the prosperity gospel often associated with Pentecostalism, viewing it as a convenient theological apology for the rich world, and rich Africans, in the face of poverty: if financial prosperity is a sign of God's blessing, and poverty indicative of God's displeasure, then economic inequality is not to be lamented, but to be accepted gladly as the outworking of the Divine will (1993:148-186). In this sanctified version of social Darwinism, it would not only be futile to try to eradicate poverty and inequality through human efforts, it would be wrong. In Gifford's reading, this legitimisation of the *status quo* has perpetuated culpable

¹¹ In chapter 5, we will elaborate on this theme in the context of our discussion of substantive findings pertaining to a prosperity church in the present study.

inequalities. For example, referring to the Pentecostal movement in Southern Africa, Gifford asserts that:

By advocating the gospel of prosperity it [born-again Christianity] dissuades adherents from evaluating the present economic order, merely persuading them to try to be amongst those who benefit from it. With its emphasis on personal healing, it diverts attention from social ills that are crying out for remedy. Its stress on human wickedness and the fallen nature of 'the world' is no incentive to social, economic and constitutional reform. By emphasising personal morality so exclusively, it all but eliminates any interest in systemic or institutionalised injustice. By making everything so simple, it distracts attention from the very real contradictions in the lives of so many in Southern Africa (Gifford, 1991:65-66).

In the context of South Africa, similar materialist readings of Pentecostalism are provided by Chidester and Gustafson (cited in Garner, 1998; 2000), both of whom examine the predominantly White churches of the New Religious Right, and the way in which these ultra conservative denominations became – wittingly or unwittingly – important allies of the Apartheid regime in the late 1980s. While the focus of both these authors is political, the economic consequences they project for the majority of South Africans are the same as those identified by Gifford. These churches support the idea of individualism within capitalism, and reject structural solutions to poverty, such as redistribution (Garner, 1998:61).

Although Pentecostalism has sometimes been vulnerable to the criticisms described by detractors like Gifford and other authors who favour Latin America style liberation theology, a neo-Weberian reading stands as an important corrective to the materialist interpretations, which have consigned Pentecostalism to the role of false consciousness or alienation. Indeed, a growing body of empirical evidence, particularly from Latin American and Africa, shows that Pentecostalism acts as a vehicle for the mobilisation of the “damned of the earth” (Martin, 2001:3), through which the members of the lowest classes can liberate themselves, not through a socio-economic revolution, but by their integration into a religious movement.

Latin America

The social ideals embedded in Pentecostalism encourage followers to make themselves respectable by rejecting a life of vice and excess for one of thrift and responsibility, especially in relation to family life. A multitude of personal, spiritual biographies collected by David and Bernice Martin during their fieldwork recount the stories of men who, having entered the movement, stop their womanising and excessive spending on alcohol and gambling and take up a responsible position both in their family and the Pentecostal community. While many relapse to their former style of life, those that continue to adhere to the Pentecostal principles gain social status by becoming respectable, taking a larger role in

family life and the community (Martin, 1990; 2002). This social mobility offers the oppressed a new sphere of life (civil/religious) in which they are not entirely bound by their economic status, and allows them to take more control of their lives in the other spheres. Not only are the desired modes of life congruous between a Pentecostal and an aspiring member of modern society, but the goal of conspicuous consumerism is also shared. New cars and large churches are seen as evidence that “a big God has done great things for us” (Martin, 2001:14), bringing success in the economic sphere to be a reward for and a sign of devotion and not distinct from it.

Similarly, in her study of favela (slum) dwellers of Rio de Janeiro, Brazil, Mariz has shown that Pentecostalism strengthens the dignity and self-esteem of the poor, creates motivations and proposes new values and a new economic culture, leading to new, more productive economic behaviour (Mariz, 1998). She begins by taking issue with the criticism levelled against Pentecostal churches for the perceived political indifference of their members or the political conservatism of their leadership (Mariz, 1998). These critics see this kind of political behaviour as bad for the poor because they assume that the root of poverty and, consequently, the struggle against it, can be reduced to the political context. Since Pentecostal experience emphasises personal morality and the search for individual transformation instead of political struggle, materialist critics accuse it of being alienating and consider it an obstacle to social change. Of course, such a criticism is based on the false assumption that social change happens only in the realm of politics, and that the stage of history is set exclusively in the political world (Mariz, 1998).

Mariz counter-argues that in order to understand the role of Pentecostalism in the lives of poor people, it is important to perceive that, despite its roots in the international political and economic context and in class relationships, poverty is above all experienced as a daily problem in the lives of individuals. In fact, the fight against poverty takes place primarily on the micro-social level of the actions of individuals, alone or organised in groups, and only secondarily on a macro-social level of political and social struggles. When individuals confront serious personal crises and find it difficult to survive, they usually lack the conditions necessary to develop social consciousness or to become politically involved (Mariz, 1998). In this regard, a significant number of Pentecostals have serious personal problems when they join the church. By giving them the means to overcome these personal difficulties, the Pentecostal churches help poor people on a micro-social level, that is, in the daily life of the individual, his family, and organisations. Thus, the political path is not the

only one which permits social transformation. Changing individual lives not only does not impede social change, but it can even be an instrument for this change. It is important not to reduce individuals to mere consequences of the social structure (Mariz, 1998).

In other words, the analysis of the role of Pentecostalism in the daily struggle for survival can contribute to understanding the process of cultural and social change among the poorer classes. Although this daily struggle may always have intermediate goals, sometimes it has unintentional effects that go beyond its limited goals. These activities have potential for making macro-structural change. Recognising this helps us to avoid the reification of the social structure and social determinism, and helps us to be attentive to the relative autonomy of individuals and small groups. Thus, in order to understand the Pentecostal phenomenon it is more useful to identify the meaning and the practical consequences of the religious beliefs and experiences in the daily lives of the faithful than to discuss the degree of political conservatism of their ideology (Mariz, 1998; Manglos, 2010). By concentrating on the analysis of ideology, criticisms of Pentecostal political behaviour do not take into account the changes in the culture promoted by the Pentecostal experience.

Africa

In Africa, where materialist detractors tended to chastise the external genesis and the prosperity gospel of Pentecostalism, it has been shown that while originally sparked by American missionaries, the movement has become thoroughly indigenised almost everywhere (Hastings, 2000). From Ghana and Nigeria to Eritrea, Zimbabwe and South Africa a growing body of empirical evidence suggests that while the leadership of the born-again movement does draw on various American versions of the prosperity gospel to legitimate their accumulation, the movement's dominant prosperity teachings have arisen from indigenous sources and are shaped by local concerns (Maxwell, 1998; Kileyesus, 2006).

Meyer's (1995) study of Ghanaian Pentecostals includes dramatic testimonies of conversion from Satanism, in which Mephistophelean pacts for riches and sexual success are renounced upon being "born-again." The repentant sinner may thereafter experience God's material blessing, this time through honest endeavour. Meyer also notes how the inculcation of individualism through Pentecostal theological discourse places under stress the traditional notion of unquestioning support of extended families, an issue of real pertinence to the poor convert, struggling to advance economically, yet faced with the competing claims of even poorer relatives (Meyer, 1995; 2004).

By the same token, Marshall's accounts of new churches in Nigeria develop the theme of ambiguity. In her first study (1991), she argues that conversion is accompanied by personal transformation in attitudes to wealth, in lifestyle, and sometimes in career. The strict moral code of the new faith prohibits all complicity in corruption, encourages, honest, hard work, sobriety, sexual propriety and marriage. These work ethic effects may translate in material improvement, with or without the ideological support of prosperity theology. In her subsequent reflections, Marshall (1995) emphasises an alternative trend to prosperity – "holiness" spirituality is popular with the very poor, who turn to Pentecostalism out of desperation in the light of crushing economic realities.¹² Here, status derives not from material blessing, but from adherence to a strict moral code, devotion to evangelism, and personal spirituality; the tangible benefits are physical and emotional healing, personal reconstruction (e.g. family life), mutual support, and a value system that distrusts wealth and vilifies Nigeria's petrodollar elite (Marshall, 1995).

Marshall challenges Gifford's negative view of Pentecostalism, and argues that both the prosperity and holiness version of the Pentecostal movement articulate new forms of power in response to the pressures of everyday urban life. To those disillusioned with the corruption and venality of the post-colonial state, the churches offer an alternative vision of a moral society, and the means to live out such a life, characterised by personal responsibility, acted out in "autonomous spaces of practice which defy the oppressive logic of current power monopolies" (1995:248). Marshall speaks of the *completeness* and *exclusivity* of the Pentecostal vision (1995:258), and it is from these, along with the vivid expressions of spiritual power, that it derives its strength. Despite the introversion of some Pentecostalism, and its deliberate detachment from macro-social intervention, the strength of these communities makes them a potent force for social transformation. In this respect, even Gifford (cited in Garner, 1998:63) concedes that their contribution to civil society may eventually outstrip that of the more activist Mainline churches.

In Eritrea, just as Marshall has shown for Nigeria, Pentecostalism allows followers to advance their condition, establish their identity, and embrace modernity (Kileyesus, 2006). The movement exerts a magnetic attraction to individuals of all classes, particularly young, unmarried, educated men and women who seek social and economic mobility and wish to be independent and successful (Kileyesus, 2006:79). Even if Pentecostalism's gospel of

¹² This is in the context of the hardships that accompanied Structural Adjustment in the mid-1980s.

prosperity is an obvious draw in hard times, the benefits of the organisational skills it imparts, the individualistic orientation of the movement, and the group networks it offers are powerful tools for conversion (Kileyesus, 2006:80). With the Pentecostal conversion the old social connections are severed in favour of new bonds of the “brother or sister in Christ.” New social ties and identities are created among people who may have no shared pasts but who define themselves in this way across age groups, ethnic groups, and social class (Kileyesus, 2006:80). The personal attention and care that are the hallmark of Pentecostalism give strength to a movement in which the private lives of converts from different cultural backgrounds and religious orientations are linked by ties that break the bonds of kinship (Kileyesus, 2006:87). In several ways, this process of indoctrination and re-socialisation makes born-again persons more industrious and more socially mobile than many of their ‘unsaved’ friends and neighbours. Importantly, Pentecostal conversion brings with it the freedom to embrace aspects of modernisation that support professional advancement and material accumulation. In every crusade and conference the emphasis is on temperance, thriftiness, industriousness, and intolerance of corruption, values that also resonate with ideas of self-reliance, self-empowerment, and material prosperity (Kileyesus, 2006:86).

Similar themes and patterns were found by Maxwell (1998) in his study of the Zimbabwe Assemblies of God, Africa (ZAOGA). Maxwell identifies three major mechanisms through which the re-socialisation process makes the born-again believer more industrious and socially mobile than many of their ‘unsaved’ neighbours. The first is through literacy. A good Pentecostal knows his or her Bible well and can discourse on key Pentecostal teachings such as prayer, healing and spiritual warfare. The new believer is immediately initiated into a fellowship cell and progresses from the study of the scriptures to Christian magazines and commentaries to night school Bible courses, and often also professional and academic examinations. Secondly, the re-socialisation process, which particularly targets young males, starts by remaking the individual and progresses to the family. It is in the domestic sphere that social relations are first and foremost revised, and only then in the Pentecostal assembly. Violence, domestic or extra-familial, is scorned. Marital fidelity is taken as fundamental. The consumption of tobacco and alcohol is viewed as sinful. This emphasis on morality brings about tangible lifestyle changes. The new Pentecostal male becomes less predatory, more able to care for the children of his marriage. He is more temperate and sober, more family orientated. Money previously spent on alcohol, tobacco and other women is re-channelled for the purchase of consumer goods, education, and savings (Maxwell, 1998:353). Thirdly, the

most important practice contributing to a new Pentecostal economic culture is the rejection of what they define as tradition, with particular reference to ancestor worship. The negation of tradition by Pentecostals is significant insofar as it frees the believer from the exactions of kin and community, thus enabling personal accumulation. As well as becoming freer to accumulate, the new believer is smart in appearance, trustworthy, hard working and literate, and hence employable (Maxwell, 1998:354)

South Africa

In South Africa, Pentecostalism among Black believers is a little researched phenomenon, apart from the work of Anderson (1991; 1992; 1993). Most discussions give greater weight to White or Indian Pentecostals. Two major studies have highlighted the potential role of faith in general, and Pentecostalism in particular, in socio-economic development in South Africa. Garner (1998; 2000) has provided one of the first detailed studies of the relationship between church membership and economic status in the context of a township in KwaZulu-Natal, finding evidence of positive effects of Pentecostalism on critical socio-economic dimensions. Ten years later the Centre for Development and Enterprise (CDE) published a comprehensive study on Pentecostalism, expressing optimism about its impact on social life and development in South Africa (CDE, 2008; Schlemmer, 2008).

Through an ethnographic examination of the township of Edendale in KwaZulu-Natal, Garner (1998; 2000) explores the social and economic consequences of membership of three major religious groups, viz. Mainline churches, Pentecostal and Charismatic churches, and African Independent Churches (mostly Zion Christian Churches). The research identifies the impact of the three church types on various factors that facilitate or hinder advances in socio-economic status in the local context, such as legitimacy of the capitalist economy, trust and cooperation, and worldview and lifestyle. Furthermore, it introduces a model for explaining the differential impact of the church types across these areas.

According to Garner (1998; 2000), positive legitimation of capitalism was clearly evident among Pentecostals, who displayed the strongest legitimation of the market and of individualism. This legitimation, however, was not total: in common with Pentecostals elsewhere in Africa, wealth received the outright endorsement of the prosperity gospel types, whereas among a “holiness” strand communal well-being and non-material values take precedence. Further, the legitimation of wealth and inequality in prosperity theology was

rarely accompanied by the “worldly asceticism” or rationalism that contributed to early capitalism (Garner, 1998:184).

The research confirmed the low levels of trust and co-operation in Edendale, with people slow to form joint commercial enterprises. The formation of co-operative enterprises, whether savings associations, small businesses, or joint-purchase groups, relies on the existence of trust in communities (Garner, 1998:37-38).¹³ Pentecostalism was found to build potential trust beyond church boundaries, if only among the exclusive community of the saved. Trust is not dependent on long personal acquaintance, or expected reciprocity, but a shared set of beliefs and norms. This type of trust between born-again Christians (which can be idealised and exaggerated, but is real nevertheless) offers genuine potential for economic co-operation (Garner, 1998:164).

Echoing an international pattern previously discussed and found elsewhere in Africa and Latin America, Pentecostalism offers a radically alternative combination of worldview and lifestyle, one which effectively adapts members to the assumptions and requirements of modernity (Garner, 2000). Creating a subculture in total discontinuity with the traditional, and reinforcing this with social and theological mechanisms, Pentecostalism achieves the most powerful effects on its members in all of the lifestyles areas. For example, all expenses associated with the ancestor cult, drinking and smoking, are eradicated. Garner observes that the value of changes in consumption patterns and the lifestyle codes imposed by Pentecostalism are of great benefit to the poor, especially to households in which the men are converted (Garner, 1998:171).

While it would not be accurate to suggest that a difference in general work ethic was discernible between the church types, Garner (1998, 2000) found evidence of various hints of the greater impetus towards these characteristics (commitment to work and education) among his Pentecostal respondents. Their emphasis on self-help and personal responsibility emerged from discussions of the plight of the poor. Added to this was the training that members receive (analysis, presentation, and persuasion, inter alia) through study groups and evangelism, with positive “externalities” for their careers. The buoyant self-confidence injected into converts by the assurance of “salvation” may also translate into other spheres of life (Garner, 1998:171). What are the consequences of these divergent attitudes among the

¹³ [Mis]trust emerged as a major theme in the present study, and it will be treated at length in the substantive discussion of our findings in chapters 4 and 5.

church types? Comparing the socio-economic (occupational) status of each respondent with that of their parents, Garner (2000:329) found *prima facie* evidence suggesting that, in general, the Pentecostal churches were more likely to promote intergenerational upward mobility.

Lastly, Garner (1998:190) assessed the power of the various religious groups to effect social change “from below.” What people choose to do, before an ideology has acted upon them, is likely to be a product of cultural convention and self-interest. This product is analogous to what Berger (1969) has called the plausibility structures of a society, which any transformative ideology must challenge or modify. Arguing that the most powerful church groups are those which maximise four variables, viz. indoctrination, religious experience, exclusion and socialisation, Garner concluded that Pentecostalism achieves the strongest transformative effects across a range of categories (Garner, 2000:332-334). This is achieved, first and foremost, through indoctrination. This term is used, without pejorative overtones, to describe the methods and depth of the church’s teaching and Bible knowledge. This variable is probably the most powerful of the four as regards its effects on their followers. Religious experience concerns the strength of subjective experience of the church member, as manifested by the level of lay participation in meetings; spontaneity in worship; and the prominence given to charismata, such as healing and glossolalia. Exclusion concerns the discontinuity or boundary the church perceives between its members and society at large. This can be discerned from the church’s emphasis on cosmological and social dualism; conversion, salvation and judgement; spiritual conflict; restricted access to communion; adult versus infant baptism. Socialisation answers the question as to how the group creates and maintains its own cohesion and boundaries. This is gauged from the involvement of the group or church in the lives of members, i.e. the amount of time that membership entails; the social activities which the church organises and promotes; the level of surveillance and control of social activities (especially use of time and money, and the functions of sex and marriage) that is exercised; and the implementation of church discipline (Garner, 1998:190-195; 2000:330-332).

While in Garner’s model Pentecostalism achieved the strongest transformative power among the church groups in Edendale, and thereby, as shown before, translated the scores into a discernibly greater socio-economic impact on the lives of church members, a word of caution is in order. According to Schlemmer (2008:83), organised religion in South Africa is highly pluralist and “there is no stuffy ecclesiastic hierarchy in a denominational monopoly

imposing doctrinal conformity or social norms.” Even at the height of apartheid the governing party-linked Dutch Reformed Churches had to compete in a wider religious marketplace. Hence there is and always was much less consolidated opposition to the growth of the Pentecostal churches than there was, say, in Latin America in past decades. This also means that the attractions of Pentecostal services are somewhat less unique than they are in societies formerly characterised by doctrinal conformity. Hence, Schlemmer (2008:82) argues, “the impacts of Pentecostalism are also the impacts of many other denominations today.” For example, Catholic and Dutch Reformed congregants are at least as likely as Pentecostals to feel that their faith sanctions a commitment to personal careers and future prosperity. If spiritual liberation and personal empowerment are the issues, then all denominations tend to be converging (Schlemmer, 2008:82-83). This qualification notwithstanding, Schlemmer (2008:83) concedes that the Pentecostal churches represent “the most consistent and intense emphasis on the power of the Gifts of the Spirit. As such they do have a highly significant *potential* role.” A recent major study by the CDE (2008)¹⁴ has confirmed just that, highlighting the socio-economic potential of Pentecostalism among Black South Africans.

Indeed, the CDE study found that while there are noticeable differences between the various Pentecostal strands, overall there is “a significant felt impact of Pentecostal faith on current or likely future economic and life circumstances” (Schlemmer, 2008:45). With much of the evidence based on a broadly representative survey in Gauteng, the CDE study draws from the full Pentecostal spectrum, i.e. older ‘Classical’ churches (Assemblies of God, the Full Gospel Church, including Apostolic churches), new Pentecostal churches in middle class suburbs, so-called Mega Churches, and small community churches mainly in poorer black areas. Because of marked differences in community culture and the culture of worship between poor black areas and substantially white middle class suburbs, the analysis distinguished between these two types of areas. However, for the present purposes, we leave out those Pentecostals (Old and New) situated mostly in white middle class suburbs, focusing instead on black Pentecostals.

¹⁴ In collaboration with Prof Peter Berger of Boston University and Prof James Hunter of the University of Virginia, the Centre for Development and Enterprise (CDE) commissioned a range of papers on critical dimensions of the activity of the Pentecostal churches in South Africa. With limited inputs from Cape Town and Durban, fieldwork for the study was conducted mostly in Gauteng suburbs and “black areas.” The papers were analysed and consolidated into a major report authored by Prof Lawrence Schlemmer, which forms the basis of the CDE study henceforth quoted.

The black Old Pentecostals

These congregants yielded a fairly clear profile. They reflected a propensity to save money despite being among the poorest respondents, an above average commitment to children's education, a determination to shape their own lives, an above average tendency to translate faith into discipline, hard work and an interest in studying and improving themselves and a clear conception of what business success requires. They also understand that education is by no means only about hard skills but must imbue wisdom and judgement. They have large numbers of close friends within the church community and with this a relaxed, trusting and positive attitude to colleagues, associates and new acquaintances. This is all valuable social capital. Despite deep faith, there is no slavish reliance on divine guidance but a clear concept that God helps those who help themselves. All told they were perhaps closest to the ideal type of an early 'Calvinist' approach to life, without the same theological/doctrinal underpinnings, however (Schlemmer, 2008:76).

The black New Pentecostals

Although there are many black Pentecostal churches that have an 'up-market' character and therefore resemble the suburban new Pentecostal churches, the majority of black congregants are in smaller churches better described in the study as community churches. Thus, this summary refers dominantly to the congregants in community churches. Their recruitment into the congregations was often precipitated by life crises and illness, and the faith healing offered by the churches was a major attraction. Many of them are also converts from the African Independent churches such as the ZCC, and many experienced inner conflict because of a simultaneous emphasis on Christian and African spiritual cosmology. These new Pentecostals are highest in spiritual capital and have a strict moral conscience. Their religious experience is the most intense of all, and as a result they may tend to be rather too 'other worldly,' sheltered by their faith (Schlemmer, 2008:76). They are also more altruistic than average and most inclined to believe in good works. They are generally more encapsulated within their religious activity than old Pentecostals and do not have the same level of commitment to shaping their own lives. They tend to hand over to a spiritual agency more than the old Pentecostals, and also emphasise spirituality most in the upbringing of children. As Schlemmer (2008:77) puts it, almost inadvertently, their faith gives them self-confidence.

Their social capital and networks are rather weak, however, having less close personal friends than, but similarly low levels of involvement in voluntary organisations to Old Pentecostals (Schlemmer, 2008:77).¹⁵

Notwithstanding the observed differences, great similarities emerge in respect of the distinctive features described above, in particular: the effect of faith in boosting self-confidence, self-esteem and strengthening individual agency and determination; more harmonious family and other relationships, including work relationships, and much greater self-discipline in regard to alcohol, drugs, pre or extra marital sex and life's other temptations; a quasi-Calvinist pattern of deferred gratification, leading to an improvement in financial security and material conditions in the family. Partly as a result of the preceding factors, Pentecostals reflected improved occupational success and improved work ethic; an emphasis on the importance of education, either for themselves or their children. These key Pentecostal features can essentially be subsumed under two major subthemes, viz. individual agency and lifestyle/worldview.

Very importantly considering the general theme of the present study, all categories of churchgoers reflected sentiments of self-reliance and a sense of personal agency – a critical finding in view of the mass dependence on state support in the population at large. While the CDE study suggests that this finding appears to be pervasive in religion in general, in Pentecostalism in particular there is “a *potential* to alter the skewed balance between the state and its structures on the one hand, and the volition and purposes of ordinary people and communities on the other” (Schlemmer, 2008:84). To be sure, a key feature in the New Pentecostal churches is the realisation of self-worth. With realisation of self-worth there comes, first of all, a sense of agency, with the believer no longer a victim of circumstances. Pentecostal faith emphasises positive engagement with life and openness to new and fresh insights into the world of immediate and everyday experience. Life becomes imbued with a sense of meaning, a sense of purpose. Church is seen as a lively and self-affirming continuation of everyday life where one should be subjected to as little discomfort as possible and where one can be encouraged, instructed and affirmed in one's ambitions and worldly pursuits (Schlemmer, 2008:75-76).

¹⁵ In Chapters 4 and 5 we shall discuss the links between social capital and Pentecostalism, as well as implications for entrepreneurship.

The Pentecostal message, Schlemmer (2008) elaborates, once delivered and received, develops and grows within the lives of believers in a multiplicity of different ways with diverse and sometimes unintended consequences. In fact, Schlemmer (2008:86) argues that the “inadvertent effects of faith can often be more salient than organised goal-seeking activity.” Other students of the Pentecostal movement have suggested that this quality of motivation perhaps stems from the fact that Pentecostalism breaks with traditional religiosity by emphasising “rebirth” and conversion as an individual option. In traditional religiosity, there is no conversion. Religion is innate, not the result of personal choice, whereas involvement with Pentecostal churches represents a rupture with the dominant traditions and their way of living and seeing the world. This view of life is non-fatalist because it recognises the capacity of the individual to be different and/or to act differently from the norms (Mariz, 1996; Martin, 1998; Berger, 2008). In any case, what is most important about the Pentecostal message, as characterised in the CDE study, is that it finds reception across the social spectrum, among the poor and the rich, the powerless and the powerful and among black and white. As Schlemmer (2008:31) puts it, “It can be adopted by anyone who needs the message and can mutate into incentives for the poor to become rich, the rich to become richer, and the powerless to become powerful.”

In consonance with Garner’s KwaZulu-Natal findings and other studies previously alluded to elsewhere in Africa and Latin America, the CDE research found that the morality and lifestyle of the typical Pentecostal congregants reveal more harmonious family and other relationships, including work relationships, and much greater self-discipline in regard to alcohol, drugs, pre or extra-marital sex and life’s other temptations, including a quasi-Calvinist pattern of deferred gratification (Schlemmer, 2008). The moral discipline at the very least preserves energy that finds alternative outlets in a more intense family life, in working life and business. These common themes boil down to something approximating to original Calvinism as described by Max Weber – a sense of purpose and therefore confidence in worldly engagement, strengthened by this-worldly asceticism (Schlemmer, 2008:81). The Pentecostal churches have offered the intensity of spiritual support that has enabled people whose lives have been disrupted by disease, alcoholism, family breakdown and other ills to recover self-respect (Schlemmer, 2008:82). Furthermore, Pentecostal conversion has also done much the same for former traditionalists who have been able to transform their worldview and facilitate their own modernisation by moving from African Independent Churches to Pentecostal community churches (Schlemmer, 2008:82).

It has been argued that Pentecostalism transforms the individual not only through the experience of belonging to a community and through direct contact with the sacred but also through experiences that help the faithful, particularly poor people adapt better to modern society. These “modernising” experiences occur when Pentecostalism requires an individual option for the faith and the adoption of a new ethic in daily life, and when it emphasises the use of the word, reading and studying the Bible, and the intellectual systemisation of the faith. The new ethic reinforces rational option over tradition and cultural inheritance. Emphasis on the word and the study and systemisation of the faith encourage attitudes and abilities that are useful to poor people in modern capitalist societies (Mariz, 1998; Garner, 2000; Martin, 2002).

Over-crystallised conclusions must be qualified, though. As was noted previously, the results of the CDE research showed that lifestyle orientation is more or less applicable to other denominations as well, including mainstream churches (Schlemmer, 2008:86). However, “the fact that the consequences of Calvinism have become generalised beyond the Reformed Churches does not detract from its importance in the Pentecostal context” (Schlemmer, 2008:86). Most critically in the CDE research, as was indeed the case with Garner’s study, among Africans, the Pentecostal churches are the only major religious grouping in which congregants had significantly broken through into the more advanced lifestyle categories. Although the study could not establish whether the churches recruit selectively, whether the congregants have made significant socio-economic progress, or both, “whatever it is the Pentecostal churches could be positioned as role models of social progress” (Schlemmer, 2008:75).

In this connection, as Berger (2001, 2008) reminds us, while asceticism in the sense of systematic self-denial can be found throughout the history of religion, Weber believed that the distinct feature of Protestantism was that its asceticism was expressed in worldly activities, especially in the religiously serious pursuit of economic enterprise. People who behave in this way are prone to become entrepreneurs. Give them a generation or so, and they are likely to be lifted out of poverty into some sort of middle-class affluence. “Furthermore, give a comparable time span in the community or society in which such enterprise expands, and you are likely to see the proverbial take-off into successful capitalist development” (Berger, 2008:45).

In essence, then, Pentecostal discourse refers to changes in the life of the individual and their family, emphasising the improvement of the material conditions of life after conversion. Pentecostal preaching, testimonies, and the stories of conversions or answered prayers frequently mention solutions to material problems in daily life. However, the extent to which the effective doctrines in the individual churches spur economic aspirations and motivations to succeed in business and to become prosperous varies between church sub-types. For example, the acceptance of some kind of theology of prosperity with its emphasis on material life varies from one church to another, and is more evident in some churches than in others. Nonetheless, while the prosperity message is played up in some and played down in others, the underlay of the prosperity orientation is generalised among almost all Pentecostals (Schlemmer, 2008:82). Likewise, so is the belief that the new faith will bring material benefits (Mariz, 1998; Maxwell, 1998; Meyer, 2004; Kileyesus, 2006). In this regard, Schlemmer argues that:

“These features of Pentecostalism provide a very genuine relief from the stress of grinding poverty and could throw lifelines of identity to the 30% to 40% of South Africa’s population that is sidelined by most of the new development and opportunity in the country. As such they could be a vital counter to the political opportunism or the over-politicisation of social issues that one finds in South Africa” (Schlemmer, 2008:82).

Summing up, all the qualifications and concerns notwithstanding, both studies strike an optimistic note about the [potential and actual] impact of Pentecostalism on social life and development in South Africa. There is no doubt that to a lesser or greater extent, the Pentecostal churches reviewed above are characterised by what Schlemmer (2008:83) calls “a moving sense of spiritual encounter” and a corresponding sense of joy, happiness and optimism among the congregants. More often than not, these reactions are associated with feelings of greater self-confidence, self-esteem and determination that translate into a heightened sense of individual agency. These features, combined with positive changes in lifestyle patterns and the adoption of a modern worldview that puts a premium on education and rejects African traditional practices, seem to be conducive to material and social rewards.

In conclusion, it might be argued that while the democratic transition in South Africa was facilitated by the contribution of the socially and politically conscientised Mainline churches to a certain kind of social change, in the new South Africa, however, dynamic and exclusive religious types (which made little or no contribution to its genesis) are effecting social change “from below,” of the sort that will strengthen the conditions of democratic capitalism, and make its enduring success more likely (Garner, 2000:337). In accord with other observers of

new religious movements elsewhere in Africa and Latin America, both Garner's study and the CDE research programme produce evidence for Pentecostalism functioning in this way. Membership of these groups produces demonstrable change in economically significant attitudes and behaviour, and makes upward mobility more likely in the context of a market economy. As Martin (1990) famously put it, it seems that Pentecostal religion does provide a form of sympathetic magic. This transformative view of religious potential, neglected in the academic literature as well as in South Africa's "over-politicised and quite myopically secular media," (Schlemmer, 2008:83) is taken seriously in the present study.

A relational critique and some implications

By and large, the tenor of the theoretical and empirical literature reviewed above in connection with the influence of Pentecostalism on socio-economic development is dominated by neo-Weberian approaches. As we have noted, in contradistinction to neo-Marxist arguments that overlook cultural mobilisation and treat religious conversion as reactive, neo-Weberian analysis often assume that people can easily mobilise culture to maximise their life situations (Smilde, 2007). Culture is used to deal with the concrete experience of life – economic, political, and social. Because ideational systems function to interpret and give meaning to life, it is necessary to discover what it is that people (through their experience of concrete conditions) bring to rituals that affects the formulation of culture. Likewise we must examine how particular culture structures influence other social structures through mediated action (Kane, 1991:68).

There is much in Weber that neo-Weberians ignore or dispute, but most neo-Weberians seek to elucidate and portray the subjective meanings, understandings, and motivations of on-the-ground actors (Billig, 2000). All view these symbolic and cultural understandings as resources that are often used strategically to advance or resist 'interests' that are themselves culturally constructed in a never-ending chain of mutual and interactive causality. Culture is not a looming, static thing that causes or creates. It is itself always open to negotiation, change, and individual agency. All view culture within local, regional, and global political and economic contexts but appreciate that macro-scale events and effects are always perceived, conceived, and acted upon within culturally constructed meanings. All focus on the relationship between culture and legal, organisational, and political institutions, and all view this relationship as mutual, interactive, and dynamic. All self-consciously create abstract concepts (i.e. ideal types) that facilitate viewing their ethnographic subjects within a

comparative perspective. All discuss the important social distinctions as specified by the actors and do not reduce these distinctions to economic class. And, finally, all focus on the interactions between global capitalism and local culture and institutions (Billig, 2000:782-783).

In short, neo-Weberians stress the importance of culture, but they do not consider culture as either a separate and isolated “box” apart from social, political, and economic life or a looming set of traditions and precepts immune to the innovative action of individual agents (Billig, 2000:772). In this sense, as we suggested earlier, the neo-Weberian approach is in tune with the interpretive, cultural turn previously discussed in connection with relational sociology. However, cultural sociologist David Smilde has offered a compelling critique of an important assumption in neo-Weberian cultural analysis of religion: its voluntaristic notion of agency. If people can easily mobilise culture to maximise their life situations, that is, if people are capable of bettering their circumstances by adopting a set of beliefs and practices that will help them confront problems, keep them optimistic, and provide them with a network of solidarity, why doesn't everyone do so? In other words, if “people can decide to believe, why doesn't everyone? More specifically, why doesn't everyone who could benefit from Evangelical ‘fruits of the spirit’ convert?” (Smilde, 2007:153).

In his book *Reason to Believe: Culture and Agency in Venezuelan Evangelicalism*, David Smilde (2007) explains that pragmatic choice, cultural innovation and genuine religious faith can coexist in the conversion experience and argues against the false dichotomy of seeing religion as a narrow rational calculation, on one hand, or a distinctive meaning system removed from the constraints of rational behaviour on the other. Smilde (2007) observes that, although seemingly opposed to each other, classical neo-Marxist and neo-Weberian readings of evangelical Christianity share an instrumentalist view of faith and conversion. People convert because they are trying rationally to achieve certain goals, be those protection from the widespread anomie produced by modern capitalism or upward socio-economic mobility. Instead, Smilde offers the alternative *imaginative rationality*, also known as relational imagination, in which individuals pursue rational goals through faith but also create meaning systems for getting things done in a world where they are constrained by their own social contexts (Smilde, 2007:180).

To be sure, Smilde's analysis of imaginative rationality is fully consistent with what he calls “the neoconservative view that people can adopt culture that helps them to address their

problems and maximise their situations” (Smilde, 2007:15). However, his relational analysis challenges the idea that “any culture is open to any group at any time,” as exemplified by Schlemmer’s earlier assertion that the Pentecostal message is one that “can be adopted by anyone who needs the message and can mutate into incentives for the poor to become rich, the rich to become richer, and the powerless to become powerful” (Schlemmer, 2008:31). In his challenge, Smilde (2007:15) answers the question of “why not everybody believes by arguing that a cultural innovation such as religious conversion depends on relational imagination.” What the men he studied can imagine and when they can imagine it largely depends on their relational context such as family, friends, and particular meanings which affect the ability of individuals to imagine alternative futures. In other words, conversion to Evangelicalism depends to a large extent on structural contexts that facilitate exposure to a particular meaning system or do not hinder cultural innovation. Thus, Smilde’s relational perspective seeks to skirt abstract determinism while avoiding decontextualised voluntarism, thereby allowing us to understand more clearly “how and when people get things done with culture” (Smilde, 2007:15).

Therefore, a relational approach to religion suggests that not all culture is available in all contexts, as implied by neo-Weberians. In most cases people adopt pre-existing packages of meanings that circulate in their social context and then adapt them to their lives. According to Smilde (2007:153), “this canonicity is a key way that conversion can be seen as ‘subjectless’ by respondents.” But it also means that the repertoire of meanings available for them to imagine and build their own projects is limited. Smilde (2007:153) refers to this as “the relationality of imagination.” Imagination is relational not only at the relatively abstract level of socio-cultural context as captured by the idea of canonicity. It is also relational at the concrete level of interpersonal networks. In short, such a significant cultural innovation as religious conversion is not simply a personal decision, as a voluntaristic analysis would imply; rather, it is structured to an important degree by the individual’s social relationships (Smilde, 2007:154).

Yet, actors can intentionally create the network location thereby deploying agency as part of the project of change that resulted in conversion (Smilde, 2007:180). Thus, just as it moves beyond voluntaristic notions of agency predicated on the availability of culture regardless of structural contexts, Smilde’s analysis of imaginative rationality also explicitly challenges structural explanations of networks that minimise actor agency (Smilde, 2007). For example, according to Stark (quoted in Smilde, 2007:154), “Conversion is not about seeking or

embracing an ideology; it is about bringing one's religious behaviour into alignment with that of one's friends and family members." Instead, Smilde pushes towards a relational, pragmatic theory of cultural agency, offering an account of the inherent semiotic power of a symbolic system for empowering individuals trying to achieve personal efficacy in a moment of crisis.

Again, Smilde (2007) asks the question of why some Venezuelan men in the midst of personal struggles with crime and addiction were "able" to convert while others, who seemed sincerely desirous of the organisation that a religious conversion might bring to their chaotic lives, were, in the end, unable to follow through with a self-reform project. He concludes, among other things, that individuals *can* "choose" to believe if they have good enough "reasons" for doing so.

By reasons, Smilde refers both to the practical outcomes of self-reform promised by evangelicalism's disciplined, teetotaling lifestyle as well as the relatively simple theological concepts of a doctrinal system involving an empowering God and a debilitating devil.

"Through imaginative rationality (...) people encounter problems, create new projects to address these problems and then evaluate the success of these projects" (Smilde, 2007:52).

The men in his study were able to gain effective control over an array of personal struggles and setbacks in part by adopting the symbolic system of evangelical Christianity and viewing their own problems in light of this new system. This is not unique to Christianity, he notes.

"People create concepts by combining and attaching existing, usually well-known images to inchoate objects of experience. They thereby gain a cognitive fix on these experiences that facilitates action with respect to them" (Smilde, 2007:52).

Smilde's relational approach to Pentecostal conversion, while essentially compatible with the neo-Weberian perspective, is an attempt at recalibrating the relative influence of structure and culture in human agency by fine-tuning the role of social relationships, which appear somewhat diluted in voluntaristic formulations. Of course, the very idea of network explanations of religious conversion as alternatives to cultural explanations based on meaning depends on an unnecessarily reified distinction between social structure and culture (Emirbayer and Goodwin, 1994:1427). Smilde's proposition instantiates the core ideas of a relational theory of agency. As we have seen in the previous chapter, social networks are not simple conveyor belts for meaning; they are themselves constructed through meaningful discourse, which in turn has an important impact on how they work to diffuse meaning innovations or reinforce traditional meanings (Emirbayer and Goodwin, 1994; Emirbayer and

Mische, 1998). What are then the implications of the relational approach for the sociology of religion?

Sociologist of religion Mary Jo Neitz (2004) summarises two overarching theoretical and epistemological implications arising from the cultural turn, viz. the shifting of the focus of enquiry towards relational [not essential] selves and the emphasis on narratives. Firstly, according to Neitz (2004), especially fruitful are those aspects of the cultural turn that provide ways out of binary concepts which conceptualise individuals as pitted against society, and affirm instead the idea of a relational self acting in a context that is always located in particular times and places. Sociological categories developed in conjunction with grand narratives have attempted to explain modernity in terms of its contrast with prior societies conceived as traditional or primitive. Some central sociological categories were posed as binary oppositions, including for example: individual/society; agency/structure; culture/structure (Neitz, 2004:392).

Neitz intimates that “We in the sociology of religion would do well to explore how relational selves are constituted in performance and narrative, and can be studied through looking at practices” (Neitz, 2004:400). Of course, as we noted in our earlier discussion of the cultural turn in network analysis, and indeed as exemplified by Smilde’s work among Evangelical converts in Venezuela, sociological theorists attempting to articulate a new cultural sociology are now suggesting ways of thinking that move beyond these binaries. Once sociologists look at selves as relational rather than essential, then structure and agency can be imagined as mutually constitutive rather than as opposed (Emirbayer, 1997; Emirbayer and Mische, 1998).

In addition to conceptualising the self as relational, another implication of the cultural turn is the belief that relational identities are expressed through narrative. In the context of American social science, Clifford Geertz’s (1973) emphasis on ‘text’ was very influential in this regard. First, he argued that what we do as social scientists is that we write: ethnographic writing involves the creation of ‘fictions.’ Previously discussion of the research process often emphasised the discovery of truths through empirical observations, but Geertz offered an interpretive epistemology that emphasised researchers’ work in the creation of texts. Secondly, he famously showed through his analysis of the Balinese cockfight, how to read cultural practices such as the cockfight itself as texts. By the 1990s even positivists were talking about the importance of stories (Neitz, 2004).

To recapitulate our earlier discussion of efforts towards integration of culture and social networks, particularly Harrison White's work on identities, a narrative-identity approach assumes that people are guided to act by the relationships in which they are embedded and the stories with which they choose to identify (Mische and White, 1998). Individuals find themselves in multiple, culturally constructed stories, and they formulate and enact stories not purely as individuals, but rather in a way that is mediated by the social and relational settings in which they find themselves (Mische and White, 1998). Bringing together narrative and identity provides a conceptualisation that suggests identity as relational and processual. It embeds the actor within relationships and stories that shift over time and space and preclude categorical stability in action (White and Godart, 2007).

Now, for the sociology of religion narrative has particular importance. Neitz (2004) suggests that one implication of the emphasis on narrative is that researchers start "from the bottom up" with located, embodied individuals, and listen to their stories. They then should pay special attention to the voices of the people who are at the margins rather than in the centres of power. In other words, sociologists of religion should start with lived religion and cultural practices rather than with organisations, structures and dogmas (Neitz, 2004:398). When we move away from thinking of identity stories in terms of the essential selves of autonomous individuals, she notes, we necessarily move toward looking at how religious identity is revealed in what people do rather than what they say. Ultimately, the interpretation of the cultural turn suggested by Neitz (2004:399) moves us away from thinking of religion primarily in terms of beliefs and rules, and towards thinking in terms of practices.

The foregoing discussion evinces the essential compatibility between neo-Weberian and relational sociologies in the analysis of religion, with both sharing the same interpretive parentage. To be sure, such compatibility is hardly surprising considering that the former have always had a strong appreciation of symbolic and cultural understandings in the development of social institutions long before the current cultural turn in sociology. While neo-Weberian approaches stress the primacy of symbolic and cultural understandings, relational sociologies offer a more granular specification of the intermeshing of culture and structure in the constitution of individual agency. Ultimately, though, both neo-Weberian and relational formulations underscore the cultural contingency of social ties and network structure. A fruitful implication of the cultural turn is a move beyond age-old binary categories such as agency and structure, with a focus on relational selves in located places and times bringing together narrative and identity.

Summary

In this chapter we set ourselves the task of exploring the influence of Pentecostalism on socio-economic development. We began by revisiting the assumptions of the secularisation theories that dominated sociological discourse on development and modernity for the better part of the last century. In view of the continuing influence of religion on people's lives and identity, especially in developing countries, a major change of mind occurred in the last 15 years in the sociology of religion, in particular, and in the field of development studies in general as scholars abandoned the secularisation thesis. Pentecostalism is a formidable testament to the resurgence of religious movements. Thus, next we traced the explosive growth of the Pentecostal movement, with particular reference to Latin America and Africa, outlining its main types, characteristics and features.

The highlight of the chapter was an appraisal of the impact of Pentecostalism on socio-economic development through a review of empirical evidence from Latin America and Africa. Having succinctly examined the theoretical foundations that underpin the link between religion and modern capitalism, evidence was adduced suggesting that Pentecostal faith induces powerful transformative impacts on the lives of its members. Pentecostal conversion was found to boost individual agency and offer a radically alternative combination of worldview and lifestyle conducive to social and economic advancement. Furthermore, the studies reviewed showed evidence of intergenerational upward mobility among Pentecostal converts.

The chapter ended with a consideration of the potential implications of a relational perspective for the study of religion, considering that most contemporary work in the field is dominated by neo-Weberian perspectives. These have been criticised for their voluntarism, whereby actors can, in the circumstance, easily adopt and mobilise Pentecostal culture at any time with a view to maximising their strategic interests. While recognising that actors do deploy agency intentionally, the relational approach throws the structural context of actor motivation into sharper relief. This criticism notwithstanding, relational perspectives are essentially consistent with neo-Weberianism insofar as both privilege interpretive, symbolic and meaning-centred understandings, thereby emphasising the cultural contingency of social institutions. A fruitful implication of the relational approach for the study of religion is a focus on relational identities expressed through narrative, and the concomitant emphasis on practice.

As discussed in the preceding chapter, the cultural turn in economic sociology foregrounds the cultural contingency of networks, and provided the conceptual framework that will guide my analysis of the networks of small black entrepreneurs, who “live together but work separately.” In view of the fact that in most of the world culture is virtually synonymous with religion (Berger, 2001:452), whose symbolic systems have a profound influence on people’s construction of meanings (Deneulin and Rakodi, 2010), our review of the impact of Pentecostalism on socio-economic development ties back in and intersects with the general tenor of the conversation initiated in the previous chapter.

The significance of religion, specifically Pentecostal conversion, in shaping the networks of small black entrepreneurs epitomises the core ideas advanced here that networks and culture are mutually constitutive and so deserve deeper analytic consideration in light of one another. Having situated myself within the relevant literature, I will incorporate insights from both neo-Weberian and relational conceptualisations in order to make sense not only of the distinct ways in which the personal and business networks of the Pentecostal entrepreneurs I worked with diverged from their non-Pentecostal counterparts, but also the broader entrepreneurial ramifications of Pentecostalism. The overall interpretive tenor of these conceptualisations will equally guide us through the epistemological and methodological decisions implicated in the design of the present study as described in the next chapter.

Chapter Three

Methodology

Introduction

The purpose of this chapter is twofold: to identify the philosophical underpinnings of the study and provide an outline of its methodological framework, given the nature and context of the research problem. Additionally, theme-specific methods will be detailed in the substantive findings chapters. The first two sections discuss the rationale for the qualitative approach as well as the epistemological foundations and design of the study. Next we focus on the qualitative research methods used, including recruitment of participants, collection of the empirical data, and the analytical procedures. The chapter concludes with a discussion of the validity of the research results and some general comments about reflexivity.

This thesis offers an in-depth account of the networks of small black entrepreneurs with specific reference to patterns of social capital and trust, as well as the ways in which Pentecostal conversion shapes both the networks and the entrepreneurial orientation of born-again entrepreneurs. To restate, the main research questions were:

- 1) What are the social and business networks of small black entrepreneurs? In particular, what are their social capital profiles and how are these uniquely shaped by specific cultural contingencies?
- 2) Why is there so much mistrust among small black entrepreneurs to the extent that they tend to work separately?
- 3) In what ways and why do small black Pentecostal entrepreneurs differ from their non-Pentecostal counterparts with respect to patterns of social capital and trust, as well as overall entrepreneurial orientation?
- 4) How does Pentecostal conversion influence the overall entrepreneurial orientation of small black entrepreneurs?

Why qualitative

In order to examine the questions above, this research employs a generic qualitative approach. Hardly any studies have been conducted specifically on the networks of small

businesses in South Africa. Sociologist Vibha Pingle (2001) offers one of the rarest studies examining the extent to which social capital (understood as membership of civil society associations, e.g., trade, political, religious, social, etc) influences business success of small black entrepreneurs in South Africa. She used ethnographic grounded-theory approaches, relying on in-depth open-ended unstructured interviews which generated rich oral histories. A gender-focused analysis explicated the historical and political forces underlying the associational orientations of rural men and women entrepreneurs, contrasting them with their urban counterparts. Management scholars Mitchell and Co (2004) have used a survey to compare the utilisation of social capital among African, Indian and European entrepreneurs in Durban, KwaZulu-Natal, concluding that African entrepreneurs don't mobilise social capital as well as their Indian and European counterparts. But the sociologically relevant questions of how and why were left unanswered, because some questions simply do not get asked, or cannot be asked, when undertaking quantitative studies (Gartner and Birley, 2002:387-388). On the other hand, research on the social and economic role of religion in South Africa, with specific reference to African Independent Churches and Pentecostalism has employed mostly qualitative case-study and ethnographic approaches, with limited use of quantitative methodologies (c.f. Oosthuizen, 1997; Garner, 2000; CDE, 2008).

Internationally, there's been a marked increase in the development of qualitative research in the entrepreneurship field as attested by the celebration of the use of qualitative methodologies in leading journals in the field (c.f. Gartner and Birley, 2002).

Entrepreneurship scholars Khavul, Bruton and Wood (2008) have employed a grounded theory, multiple case-study approach to investigate the question of how strong family networks affect the establishment and growth of entrepreneurial businesses in East Africa.

Thus, given the paucity of information and the current state of knowledge on the general topic of this thesis, my study is essentially exploratory in nature, privileging post hoc insights rather than a priori assumptions. In fact, the nature of the study questions are resistant to traditional positivistic research with its quantitative or statistical methods and pre-established design. Only a qualitative approach that privileges direct and intensive interaction with entrepreneurs will induce understanding of their lived experiences, subjective meanings, and contexts. Qualitative methods have their strengths, especially when studying a complex process such as entrepreneurship in which intangible factors, such as social norms, socio-economic status, gender roles, and religion interplay in moulding people's intentions, meanings and behaviour (Stewart, 1991). And if we consider that these are often

contradictory and rarely explicit and unequivocal, it becomes clear why a qualitative approach is especially suitable for this project.

Epistemic perspective and design

It is instructive to note that in the production of knowledge about social life, two social contexts come together: the context of investigation, consisting of the social world of the investigator, and the context of explanation, consisting of the social world of the actors who are the subject of study. Reed (2010:23) contends that it is in the *relation* of the context of investigation to the context of explanation that the fundamental commitments of any epistemological position are to be found. The context of investigation is structured culturally – by a set of meanings we know as “social theory.” The various contexts that the researcher encounters are also structured culturally – by meanings that are different in different times and place, but that tend to be much less abstract and much more pragmatically organised than “theory” (Reed, 2010:34).

As a post-positivist researcher the epistemic question to ask was not “Does this piece of theory correctly describe the workings of social capital, trust, and Pentecostal conversion among small black entrepreneurs?” but rather “Does this piece of theory allow me as a post-positivist researcher to interpret how social meaning works, in certain times and places?” Accuracy in representing the context of explanation was still the goal, but the means to that goal were radically different – as a result of the presence of meaning and subjectivity in social life (Reed, 2010:36). Explanations of this or that set of social actions, however, can be held to high standards of theoretical reference and empirical responsibility. These explanations emerge from the intersection of the two meaningful contexts, in which as a researcher I will use some meaningful pieces of the context of investigation to interpret a given context of explanation (Caelli et al, 2003; Maxwell, 2005; Reed, 2010).

Research design and rationale

The study adopted an evolved Grounded Theory (GT) framework as developed by Miles and Huberman (cited in Fielding and Lee, 1998) and others (c.f. Charmaz, 2000). Grounded theory is an argument, ultimately, about the *plurality of contexts of explanation* that the investigator may encounter (Reed, 2010:33). Indeed, the point was precisely to take on board grounded theory’s recognition of the variety of social and cultural meanings that might guide social action and thus influence the patterns of social capital and trust among small black

entrepreneurs, including their overall entrepreneurial dispositions. According to Reed (2010), in this sense, GT is a *deontological* presupposition, since it proposes *not* to give a single theoretical account of the research questions, but rather to accept that there are myriad social worlds, and a plurality of social theories for understanding them. Thus, to paraphrase Reed, the cultural structure of this researcher's context of investigation is deontologically bound by the commitments inherent in the relational and neo-Weberian sociologies expounded in the previous two chapters, which all put a premium on interpretive designs.

The Miles and Huberman approach to qualitative design is defined by three particular characteristics: 'anticipatory', 'interim', and 'iterative.' The thematic clusters pre-selected for this study and the particular conceptual framework, i.e. the embeddedness paradigm of economic sociology, constituted some sort of 'anticipatory data reduction', giving direction and focus to the research, and out of which emerged the later explanatory stages of the analysis (Fielding and Lee, 1998:40).

The 'interim' quality refers to the flexibility and interactivity that are perhaps the hallmark of qualitative designs. On the one hand, this made it possible to accommodate change and adjustments in response to circumstances on the ground under which the study was being conducted. On the other hand, the study did not begin from a predetermined starting point or proceed through a fixed sequence of linear, one-directional steps, but involved interconnection and interaction among the different design components. For example, the researcher had to shift the relative weight attached to data collection and data analysis in response to emerging insights, which fed back into and modified further data collection (Fielding and Lee, 1998).

The 'iterative', cyclical character involved a combination of inductive and deductive reasoning. Patterns and themes were discovered inductively, whereas verification of the patterns required deductive strategies, giving rise to further inductive insights (Fielding and Lee, 1998:40).

On the basis of this approach, it was possible to strike a balance between a highly structured, pre-determined, tight model and a pure grounded theory type of loose design. This necessitated some combination of deductive and inductive analysis. While initial categorisations were shaped by pre-established study questions, the analysis remained open to inducing new meanings as empirical data were collected.

Thus, several permutations and adjustments occurred during the development of this thesis, reflecting the progression of my thinking, the nature of the challenges I encountered, and the flexible GT design. Not only has my theoretical position evolved in respect of the substantive literature, my own epistemic perspective has been sharpened during the research process. It will be recalled from chapter 2 that the emerging cultural narratives from the field prompted me to take up a relational perspective on the workings of social capital and trust among small black entrepreneurs, and indeed open up an additional line of enquiry into the sociology of Pentecostalism, thereby superseding the interim, pre-selected conceptual framework based on structural economic sociology. GT designs often require researchers to get acquainted with theoretical bodies of literature they did not arrive with (Tavory and Timmermans, 2009:254).

As well, a realignment of my epistemological stance ensued. Of course, as a post-positivist social researcher, I was aware that in assuming a learning role rather than a testing one, I had to regard myself as a researcher conducting research *among* other people, learning *with* them, rather than conducting research *on* them (Maxwell, 2005). However, I realised that my ability to construct a verisimilar and “truthful” account of what was going on in the personal and business networks of entrepreneurs necessitated a further enhancement of the role of study participants, and as a result a more balanced power dynamic between myself as a researcher and the participants. In sum, the adoption of constructivism became a methodological imperative.

We mentioned that the study adopted a modified form of grounded theory. A former student of Glazer [one of GT’s founding fathers], Charmaz introduced a revised constructivist grounded theory, which celebrates “first-hand knowledge of empirical worlds, takes a middle ground between postmodernism and positivism, and offers accessible methods for taking qualitative research into the 21st century” (Charmaz, 2000:510)¹⁶. The particular form of GT followed depends on a clarification of the nature of the relationship between researcher and participant, and on an explication of the field of what can be known.

Epistemologically, constructivism assumes the relativism of multiple social realities, recognises the mutual creation of knowledge by the viewer and the viewed, and aims towards interpretive understanding of subjects’ meanings (Charmaz, 2000). Thus, at the core of this

¹⁶ I would contend that Charmaz’s middle ground approximates on an ontological level the classical formulation of social construction of reality as originally expounded by Berger and Luckman (1967). Their principal thesis was that individuals in interaction create social worlds through their linguistic, symbolic activity for the purpose of providing coherence and purpose to an essentially open-ended, unformed human existence. However, as human beings continually construct the world, the latter becomes a reality to which individuals must respond.

approach is an emphasis on the subjective interrelationship between researcher and participant, and the co-construction of meaning (Charmaz, 2000). By positioning myself as the participants' partner in the research process, rather than as an objective analyst of their experiences, I was able to activate the 'stock of knowledge' of the respondents. This approach actively repositions the researcher as the author of a reconstruction of experience and meaning (Mills et al, 2006a; 2006b).

A caveat is in order. While evolving an overall constructivist GT design the present research comprised two distinct stages, during the course of which the degree of co-construction of meaning varied appreciably. In the first stage my subjective interrelationship with study participants and the mutual construction of interpretation was arguably minimal, perhaps approximating Glaser's end of GT 'methodological spiral' (Mills et al, 2006a), whereby interviewing was a "very passive listening" (Glaser, 2002). Conceptually inspired by a priori embeddedness constructs and based on a pre-selected interview guide that soon became futile, I used the constant comparative method (checking the accounts of the various interviewees), following an open-ended, unhindered interviewing process, and abstracting the emergent categories. As I 'discovered' what categories latently patterned out, this stage culminated with focused questions to other participants recruited through theoretical sampling. Broadly speaking, this first stage generated data that allowed me to identify patterns of networks and strategies of social capital mobilisation among small black entrepreneurs. Importantly, it was during this stage that the early signs of the cultural underpinnings of mistrust among black entrepreneurs first emerged, as well as the ramifications of Pentecostal conversion for entrepreneurs' actions.

As I thematised the emergent issues especially around trust and Pentecostal conversion it became clear that interviews alone would not generate the depth of data required to explore the underlying cultural meanings. Therefore, I resolved to introduce an ethnographic lens in my methodological tool-kit, prefiguring the second stage of the research. Parenthetically, it is worth noting that from the onset, GT promised a different kind of sociological approach as an alternative to functionalist positivism, claiming to provide a more comprehensive theoretical picture of social life, and privileging ethnography¹⁷ as method of choice (Tavory and

¹⁷ When defined by its methods, as is standard practice, ethnography refers to 'participant observation plus any other appropriate methods' such as interviews, focus groups, video or photographic work, statistics, modelling, archive work, and so on (Crang and Cook, cited in Forsey, 2012:566). Grounded Theory is ethnography in the Chicago School sense of the term: an attempt to describe a group of people doing things as they are located in

Timmermans, 2009). Although in a very generic sense this study is a sociological ethnography, only the second stage of the research design will be referred to as 'ethnographic.'

Subjectively immersed in the outlying townships of a peri-urban location for periods of time totalling 2 years, I was able to drill down and tease out the thesis's key findings in respect of the cultural contingencies of social capital and trust, and the role of Pentecostal conversion in entrepreneurial outcomes. Through multiple formal and informal interactions, including follow-up interviews and focus groups, and especially through what I will call the ethnographic shadowing of a select group of entrepreneurs, I embraced a full-blown constructivist approach à la Charmaz. This stage provided the backbone of my insights into the cultural contingencies of trust and the impact of Pentecostal conversion on entrepreneurship. True to form, it necessitated an in-depth longitudinal relationship developed over time with participants in which they had multiple opportunities to cast their stories in their own terms, expressing private thoughts and feelings (Charmaz, 2000). In GT the ethno-narratives, i.e. the narratives embedded in the field through various intersubjective processes, are the basic building blocks of the sociological analysis (Tavory and Timmermans, 2009). These personal stories and perceptions were therefore given prominence and are featured throughout the report as in-depth case stories illustrating the various categorical dimensions of the overall story.

Recruitment

The target population for this study comprised very small (or micro) African entrepreneurs with established businesses for at least one year.¹⁸ The geographic location was the Tshwane Metropolitan Municipality in Gauteng, where the majority of Africans (over 60 percent) belong to the Sotho/Sepedi/Tswana ethno-linguistic group. Research participants were

time and space. The endpoint of this kind of sociological fieldwork is a set of conceptualizations that aim to capture a facet of the substantive area studied (Tavory and Timmermans, 2009:257).

¹⁸ There is no definition of a small enterprise that everyone agrees on, but it is generally a description of any enterprise with less than 50-100 employees, and it includes profit-making enterprises (businesses) as well as not-for-profit enterprises (such as co-operatives). Within the definition of small enterprise, many people also recognise a large number of very small (or micro) enterprises, with less than five employees. Small enterprises are also sometimes called SMMEs (small, medium and micro enterprises), a term which includes the larger end of the small business sector – medium-sized businesses, which employ up to 200 people (SMME Forum Website).

selected on the basis of a purposive sampling strategy, with subjects being recruited according to a geographic criterion, viz. urban (Pretoria) based versus peri-urban location.

Given the historical influence of labour migration and urbanisation in South Africa, it was important to capture the differential impact of the forces involved in modernisation and social change. One could speculate that the configuration and membership of certain kin and communal networks such as extended families and traditional self-groups or societies, together with the observance and enforcement of cultural norms would vary according to the degree of urbanisation and/or length of exposure of the entrepreneurs [and their respective family networks] to the individualistic values of modern urban culture. A total of 34 entrepreneurs were selected as follows:

- Pretoria Central Business District – 18 urban-based entrepreneurs
- Hammanskraal,¹⁹ a large township located 60 kilometres to the north of Pretoria – 16 peri-urban entrepreneurs

My initial plan was to recruit 40 study participants evenly split between urban and peri-urban settings. However, the final sample size was ultimately determined on the basis of theoretical saturation, i.e. the point in data collection when new data no longer brought additional insights to the research questions (Denzin and Lincoln, 2000).

The sample included 19 male and 15 female entrepreneurs. The age groups ranged between 20-29 and 50-59, with a majority belonging to the 30-49 age groups. Thirteen entrepreneurs had some form of tertiary education, including 8 with degrees and 2 post-graduates. Participants were involved in a variety of different business sectors, covering retail, professional consulting, IT, hospitality, construction, transportation, clothing, and small manufacturing. Sixteen participants had started up their entrepreneurial activities in the previous year, while the other 18 had established businesses. The majority of entrepreneurs (25) ran very small (micro) businesses with less than 5 employees, including 10 who were one-person operations. But 9 entrepreneurs had more than 5 employees.

Recruitment for this study proved quite a challenge in the beginning. At first participants were to be drawn principally from the records of the Department of Trade and Industry's Small Enterprise Development Agency (SEDA). While there is a plethora of public,

¹⁹ Hammanskraal was recommended by a senior official with Tshwane Municipality. Its outlying areas have a rural interface. A socio-demographic profile of this region is included as an appendix.

corporate and non-governmental bodies at national and provincial levels that promote entrepreneurs, I had reckoned that SEDA offered the best chance of successful recruitment, being the largest state institution supporting SMME's. But after considerable reluctance and successive delays on the part of SEDA's provincial programme, who invoked concerns about the confidentiality clause that binds SEDA with their clients, I dropped this avenue altogether.

This initial recruitment setback proved to be a double blessing in disguise. After meeting a senior official in Tshwane Municipality's department of local economic development, I was kindly granted an official recommendation and a referral to Gauteng Enterprise Propeller (GEP). The manager and the staff of GEP's Tshwane Branch Office in Pretoria proved instrumental in securing access to and recruitment of their clients. Besides providing assistance with identification and enlistment of suitable study participants, GEP offered logistical assistance in the form of office space for several interviews. In addition, I had the opportunity to attend two of GEP's training events, which for me were meet-and-greet occasions where I recruited some of the Pretoria-based participants. Lastly, the Tshwane Municipality official invited me to attend an outreach event with SMME's in Pretoria, where I met the convener of the Hammanskraal-based Tshwane North Business Forum (TNBF). Arguably this turned out to be the most auspicious acquaintance of my recruitment efforts, as it not only enabled me to secure the participation of peri-urban entrepreneurs in the Hammanskraal region, the convener of TNBF turned out to be a crucial gatekeeper and provided me with some form of logistical base for the ethnographic fieldwork.

Of course, I was aware that over-reliance on GEP's clients and professional service providers as study participants would likely introduce a degree of bias in the urban sample, but this was a matter of practical decision based on suitability to the task at hand. For example, I had to abort the interview with a GEP interviewee who somehow found his way onto the list of participants when it turned out that he was a "prospective" entrepreneur. His persistence that he be interviewed denoted ulterior motives perhaps associated with some form of GEP patronage by way of financial assistance. By the same token, when I called up a GEP IT service provider, the entrepreneur explicitly indicated that he accepted promptly the 'invitation' to participate in the study because he wanted "to remain in the good books with GEP."

Data collection

Based on the aforementioned research design, three main types of qualitative data gathering methods were used namely in-depth interviews, focus groups, and ethnographic data. In-depth interviews were useful for learning about the perspectives of individual entrepreneurs, whereas focus groups proved appropriate for studying community norms and dynamics. For the development of interview and focus group protocols and procedures, the researcher relied heavily on the popular *Qualitative Research Methods: A Data Collector's Field Guide* (Mack et al, 2005). Ethnographic data included “engaged participant listening” through my prolonged immersion in and shadowing of a core group of entrepreneurs, as well as attendance of church services and community events.

I conducted a total of 50 individual interviews with entrepreneurs between June and November 2008, including re-interviews and follow-ups. In-depth interviews were an effective qualitative tool for getting the entrepreneurs to talk about their personal feelings, perceptions, and lived experiences. The interviews were loosely semi-structured around a set of predetermined topics based on the embeddedness paradigm which I started fieldwork with, such as membership of and participation in kin, communal, and business networks and organisations, frequency of contacts, strength of ties, level of trust, perceived impact on business activities, etc. Examples of the tone and flow of the questions are weaved together into the narrative report presented in the findings chapters.

The interviews were face-to-face and with one participant at a time, with the exception of a young couple who chose to be interviewed together as they were equal partners in the family business. In Pretoria, roughly half of the interviews were conducted on-site, while the other half took place in the premises of Gauteng Enterprise Propeller. Only one entrepreneur chose to be interviewed at a coffee shop. On average during this first stage of the research the interviews lasted about 1 ½ and two hours, and they were all conducted in English. The interviews were recorded on a tape-recorder and personally transcribed by the researcher. While this was an extremely time-consuming exercise that extended over a period of several months, the chore of transcription gave the student an opportunity to really get to know the content and eventually ask new questions and raise issues that influenced the study's subsequent stages.

Interview data thus consisted of tape recordings, typed transcripts of tape recordings, and the researcher's field notes. The latter documented my reflective and introspective observations

about the interview content (comments, tentative interpretations, or emerging patterns), descriptive information about the participant and the context, as well as methodological and operational decisions pertaining to the emergent design.

In this connection, as the initial questions were revised, modified, dropped or expanded in the concurrent process of data collection and analysis, my aha moment came when an influential entrepreneur in Hammanskraal stated: “We black entrepreneurs live together but work separately, unlike white folk who live apart but work together.” As will become apparent in the next chapters the statement turned into one of the most quoted pieces in my narrative and analytic report. In subsequent interviews I bounced it off, finding widespread currency, especially among peri-urban participants. This prompted me to focus on the dynamic of trust and mistrust among black entrepreneurs, and indeed prompted me to evolve the study design.

As I transitioned into the second stage of fieldwork, and in addition to the 50 individual interviews previously reported, I conducted five separate key-informant interviews with two elderly female community members, a small business mentor/consultant, an academic with expertise in African philosophy of uBuntu, a bank manager in charge of micro-lending in the region, and a GEP business advisor. Key-informant interviews were meant to elicit expert and practitioner information about some of the emerging issues, e.g. cultural norms and practices in respect of trust, sharing and commensalism within kin and communal networks such as family societies and stokvels, avoidance practices and strategies, and implications for business development.

To further drill down these issues from the entrepreneurs’ perspective, two focus groups were convened in October and November of 2009, the one involving five new participants in Pretoria, and the other involving five selected entrepreneurs who had already been interviewed individually in Hammanskraal. From the group dynamic and the diversity of the focus groups rich data and insights emerged concerning the structural contradictions and tensions experienced by entrepreneurs as they switch between communal and business networks.

Lastly, the final stage of data collection pivoted on the ethnographic shadowing of a core group of six entrepreneurs in the townships of Hammanskraal. This exercise saw the researcher involved in ‘deep hanging out’ over a period of time that totalled two years, including six months of continuous immersion. These participants had all been interviewed and re-interviewed on a number of different occasions, and some participated in the focus

group session as well. They were selected not only for the trust and good rapport that I had developed with them, but principally because they seemed to represent polar types in respect of patterns of networks and trust. Perhaps more importantly, they included four Pentecostal entrepreneurs, whose narratives diverged in fundamental ways from their local non-Pentecostal peers in respect of social networks and overall entrepreneurial orientation.

What I call here ethnographic shadowing took the form of “engaged, participant listening” (Forsey, 2010) as I chummed around with these entrepreneurs engaged in free-flowing conversations in a wide variety of multiple formal and informal social interactions such as: impromptu on-site visits and walkabouts; participation in community events, e.g. cultural fairs at the local arts and crafts market; attendance of two meetings jointly organised by the Tshwane North Business Forum and a major bank in connection with the 2010 FIFA World Cup business opportunities; volunteering activities at a local day-care and HIV/AIDS centre; not to mention innumerable telephone conversations and good old-fashioned gossip over a meal and drinks.

The Pentecostal church services that I attended in the township and Pretoria inner city provided another major site of ethnographic data collection, whose details are presented in chapter 6.

Data analysis

Having adopted an evolved grounded theory framework, data analysis became a fundamentally *iterative* set of processes. Data collection and data analysis were not temporally discrete stages. Thus, as soon as the first pieces of interview data were collected, the researcher began the process of making sense of the information. As Strauss observes (cited in Fielding and Lee, 1998:35) “you don’t want to rush out and get a lot of data, because you would get submerged. At every point in your initial field notes or interviews, you get a little data, and then you stop and think!”

This process, overlapping in time, can be best described as a loop-like pattern of multiple rounds of revisiting the data as additional questions emerged, new connections were unearthed, and more complex formulations developed along with a deepening understanding of the material. Throughout the research process analysis therefore oscillated between data collection and emerging conceptualisations (Fielding and Lee, 1998; Charmaz, 2000).

Data Reduction

First, the mass of data was organised and somehow meaningfully reduced and reconfigured. Not only did the data need to be condensed for the sake of manageability, they also had to be transformed so they could be made intelligible in terms of the issues addressed.

The researcher had to make decisions as to which data were to be singled out for description in a process that involved some combination of deductive and inductive analysis. Coding was the strategic pillar of data reduction, preceded by summaries and supported by memos.

Summaries included condensed field notes associated with particular contacts, informants, and interviewees; I used one single side of paper soon after the interview with the highlights of the contact. They helped refresh my memory of individual interviewees.

Codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study (Miles and Huberman, cited in Fielding and Lee, 1998). Coding is the process of marking passages of text that are about the same thing, say the same thing or discuss things in the same way. These similar passages are marked with a name, the code, which is usually associated with a longer explanation of what the code means, what the passages have in common and perhaps a general interpretation of them. Codes support a thematic analysis of the content of the text and enable the rapid retrieval of text that represents common ideas, themes, rhetoric and approaches. All of the coded data is associated with nodes, which can be considered containers for the codes.

Methodologically, I needed to determine how I would make use of codes and nodes to assist in data analysis. I decided to use NVIVO, a qualitative software programme that allows for the creation of free nodes, tree nodes and case nodes. All three types of nodes were used for this study, although I relied primarily on tree nodes, which allow for organising nodes into categories or subcategories. Tree nodes help to 1) prevent node duplication; 2) gain an overall view of the growing conceptual framework; 3) and importantly form the basis for using matrix searching (Bazeley, 2007).

I coded paragraph-by-paragraph and, in some cases, line-by-line all the transcribed 50 individual interviews, 5 key-informant interviews and the two focus groups, as well as the various memos and summary notes of the first stage of fieldwork. Coding took place throughout data collection and enabled me not only to frequently adjust my demeanour and

the questions I asked, it assisted me to induce new thematic foci and links as the study proceeded.

Coding was done using a combination of deductive and inductive procedures. I was working from a background of extensive reading of the literature, having brought a strong theoretical basis to my research. As discussed in Chapter 2, embeddedness and social capital formulations undergirded my initial conceptual framework. I therefore came to my data already with a start list of concepts I was interested in exploring. Firstly I ‘chunked’ the text into broad topic areas mostly in free nodes without any conceptual relationships. Deductively coded insights provided a starting-point for my analysis.

However, these a priori or theoretically derived codes were reformulated and revised in order to fit new data and new theoretical interpretations as these emerged. Once I reached a point where all of the data had been coded into tree nodes, I began a systematic approach to ‘taking off’ (Bazeley, 2007) from the data and conducting analytical coding. Thus, soon I found myself recoding and coding on the same text in finer detail, merging nodes and recombining coded passages into tree nodes with hierarchical relationships.

Memos were used as a conceptual device for making sense of the data, containing commentary on the primary data or nodes of the project. Memo-ing continued during the coding process. It involved writing thoughts and comments, including methodological aspects, not only during the coding process but throughout the research process.

A coding strategy that I used throughout was slicing data into its component parts by coding the same data into multiple nodes (Bazeley, 2007). This coding strategy made it possible to use extensively NVIVO’s matrix (tabular) coding queries, a powerful tool that greatly facilitated the identification of patterns of association and/or difference. For example, by running matrix queries of codes such as types of networks and social capital by religion, location and education it was possible to identify a pattern that set apart Pentecostal interviewees.

Clearly, the mechanical assistance of NVIVO coding enabled me to take a more systematic and rigorous approach to analysis, legitimising my decision to introduce an ethnographic component in the evolving research design. Having said this, I did not code the data generated in the ethnographic stage of my fieldwork.

The main focus of the ethnographic exercise centred on ‘casing’, i.e. the process of determining what kind of sociological case I had or establishing the sociological properties and boundaries of the situation at hand (Tavory and Timmermans, 2009:244). I hoped that the ethno-narratives of everyday life of the six entrepreneurs targeted for shadowing would help me evaluate and analyse the empirical phenomena of endemic mistrust among black entrepreneurs, at least in the context of a township setting, which caused them “to work separately.” By the same token, I was interested in understanding how and why Pentecostal converts displayed divergent sociological patterns in respect of the phenomena in question.

Therefore, once I identified the range and salience of key cultural contingencies to be unpacked during the ethnographic stage – e.g. an identity landscape dominated by uBuntu norms, Pentecostal conversion – which seemed to impinge in divergent ways on patterns of network and social capital as well as the workings of trust, I sensed that further coding was beyond my comfort zone. To be sure, I feared that protracted coding might cause me to lose overall focus on what really mattered, steering me away from fine-grained, hermeneutic analysis, and detracting from the opportunity provided by ethnographic work to pursue creative hunches with the core group of ‘*shadowees*.’ For all the benefits of enhanced rigor that I derived from NVIVO coding, at the end of the day qualitative analysis remains intuitive art, with interpretive leaps and flashes of inspiration (Denscombe, 2003).

Illuminated by the theoretical insights of relational sociology, which in the meantime I had familiarised myself with, along with a neo-Weberian perspective on Pentecostal conversion, ethno-narratives have anchored not only my analytical effort, they provided a frame for the (re)presentation of the research findings. An intentional writing strategy was therefore to use extended quotations in order to contextualise my arguments and minimise “fracturing the data,” that is, chopping up long interviews and conversations involving deeply personal and highly contextual stories into micro-bytes useful only for making a point here or there. Using large chunks of narrative especially in respect of the key co-constructivist participants, allowed me to humanise the data by setting it within the context of their life trajectories.

Research validity

Insofar as qualitative research regards knowledge as involving the views of the researcher as well as the ‘researched,’ it presents particular challenges in terms of study validity and soundness. Maxwell (2005:87) defines validity as “the correctness or credibility of a description, explanation, interpretation, or other sort of account.” How might the study results

and conclusions be wrong? What are the plausible alternative interpretations and validity threats to these? How can the data support or challenge the ideas put forward about what's going on in the networks of small black entrepreneurs? Why should people believe the study results?

Thus, validity issues in qualitative research encompass a concern for whether the conclusions being drawn from the data are credible, defensible, warranted, and able to withstand alternative explanations. This ups the ante on the student's ability to demonstrate that they have been rigorous and ethical in conducting the research, thereby putting a premium on transparency and self-reflexivity. In this regard, the very study design previously outlined enabled the student to be transparent about the entire research process, being explicit about and delineating all of the methodological and analytical influences that led to a particular understanding.

Creswell (2007) identified eight verification (a term he prefers to validity) procedures often referred to in the literature, and he makes the point that different procedures may be more appropriate for different traditions within qualitative research. These eight procedures include (a) prolonged engagement and persistent observation; (b) triangulation; (c) peer review or debriefing; (d) negative case analysis; (e) clarifying researcher bias; (f) member checks; (g) thick description; and (h) external audits. Creswell (2007) recommends that qualitative researchers engage in at least two of the eight verification procedures in any given study.

Multiple measures to rule out validity threats were used to assure integrity of my research, the most important safeguards being prolonged engagement and persistent observation, triangulation, and member checks/informant feedback. I spent extended periods of face time with entrepreneurs, key informants, church and community leaders, sometimes interviewing them and sometimes just hanging out with them. Having as a result inevitably developed intense emotional rapport with a number of interlocutors, especially in the townships of Hammanskraal, I ensured that critical and analytical reflexion punctuated my emersion in the field in an iterative process that was driven not only by the need to validate the accuracy of their own accounts, but also corroborate "discoveries" and interrogate "surprises."

Triangulation concerns itself with the process of corroborating evidence from different individuals, types of data, or methods of data collection to ensure that the study will be both accurate and credible. While there is no guarantee that triangulation increases validity, the procedure is recommended to address validity threats (Maxwell, 2005; Creswell, 2007). The

data for this research were drawn from multiple sources and contexts, including in-depth interviews and re-interviews, focus group sessions, key informant and expert sources, as well as prolonged and “engaged participant listening.”

In addition, I have cross-checked major claims and perceptions from various angles and sources to clarify meanings and interpretation. Only on one occasion was the solicitation of a high-value interviewee feedback met with the request that the researcher submit in writing the respective queries. Otherwise, ordinarily member checks took the form of informal discussions at coffee shops, where the researcher would draw diagrams on the back of napkins sketching out my interpretation of possible meanings or perspective. Multiple iterations of this kind were devoted especially to clarifying one of the most intriguing findings, which I have called the paradox of trust, at the heart of the widespread lack of co-operation among small black entrepreneurs.

Besides these ‘traditional’ measures to deal with validity threats, I would be remiss if I did not emphasise the role of NVIVO in enhancing validity during the first stage of my research, notwithstanding the aforementioned qualifications. Two specific tools were deployed in this connection, viz. interrogate interpretations for sound enquiry and scope data for a well founded analysis (Bazeley, 2007; Siccama and Penna, 2008). Both hinge on the sophisticated coding and retrieval capabilities of the software.

Interrogate interpretations is a term from the NVIVO literature, which refers to establishing a sound and thorough inquiry into the data. Before data interrogation can take place the data needs to be thoroughly coded. This includes the use of multiple coding where many meanings occur, coding-on to develop dimensions, developing categories, and checking context (Bazeley, 2007). My use of tree nodes allowed me to investigate deeper into the data to conduct and build iterative searches. A strong foundation of codes within the data allowed me to gain access to the data by case, question or topic so that any emergent theme could be investigated. Particularly important was the use of attributes in NVIVO, where I entered socio-demographic data such as age group, sex, education, religion, as well as business related information, e.g. sector, stage of development, etc. Attributes allowed me to ask questions of the data. For example, as mentioned previously, search matrices were created that ask questions of descriptive data and interpretive data simultaneously, thereby allowing for an examination of the interaction and intersection of different types of data (Siccama and Penna, 2008).

Data was scoped for a well founded analysis and to check the completeness and validity of the coding (Bazeley, 2007). With the large number of memos, nodes and attributes within NVIVO, advanced searching capabilities allowed me to scope a search. Scoping allowed me to specify a subset of data to search, then the search tool allowed me to specify what, how and where to search and then specify what to do with the results. The ability to scope a search provided for accurate focusing of a question or just scoping specific documents or nodes that I wanted to explore further (Siccama and Penna, 2008). As my data collection expanded, I used advanced NVIVO tools to scope and assay the data which allowed me to identify themes and ascertain just what claims I could make based on the data (Bazeley, 2007; Siccama and Penna, 2008).

Reflexivity

Some of the issues that I was self-reflexive about arise from ontological and epistemological commitments and subjectivities, value-preferences and affinity with regard to particular theories, and research relationships.

The idea of a relational ontology in which conceptions of the separate, self-sufficient, independent, rational 'self' or 'individual' are rejected in favour of notions of 'selves-in-relation' or 'relational beings' embedded in a complex web of intimate and larger social relations is akin to sociological accounts that highlight the self in symbolic interactionist terms (Mauthner and Doucet, 2003). Subjects' utterances are seen as transparent passageways into their experiences and selves. In my analysis, I assumed that what a person said in an interview context or otherwise gave me direct access to their subjectivity and lived experiences. There is a tension between claims to defend the validity of my contributions to knowledge and postmodern notions that my account is just one 'story' among an infinite number of possible stories.

This researcher concurs with Mauthner and Doucet (2003:423) that subject accounts are not completely transparent but that there is nevertheless "a relationship between people's ambiguous representations and their experiences." The suggestion is that subjects are reflexively constituted between the researcher and the 'researched,' and that while they are therefore always "incompletely unknown," it is possible to grasp something of their articulated experience and subjectivity through a research encounter (Mauthner and Doucet, 2003:423).

In the circumstances, I reiterate the constructivist approach whereby my theoretical formulations are joint constructions of knowledge produced through the interaction between participants' accounts and how I made sense of these accounts. Similarly, I stress the situated, partial, in-progress and modest nature of these accounts.

Religion, particularly the experience of born-again conversion struck me as a critical cultural contingency shaping network patterns, social capital and trust, and crucially the entrepreneurial pathways of study participants. Although my empirical data did not support the need to emphasise political economy formulations, I was acutely aware of my neo-Weberian leanings, which affected my line of questioning and guided the ethnographic segment of my fieldwork. Respondents who fitted the Pentecostal experience may have been accorded particular weight during my data analysis process, because their accounts resonated with neo-Weberian theoretical literature. Incidentally, early in my data collection I had the opportunity to attend a CDE-organised conference in Johannesburg where Peter Berger and David Martin were the keynote speakers, which reinforced even further my acute interest in the Pentecostal experience during further data collection and analysis.

Situating myself socially and emotionally in relation to the study participants is also an important element of reflexivity. I felt some discomfort about totally removing myself from the "close relationship" I developed with the core group of *shadowee* entrepreneurs after dropping into their lives for more than 24 months. Initially I wondered what the potential impact of being an outsider might be. Clearly my citizenship was an important identity marker. At some meetings and social events I attended in Hammanskraal my role as a researcher might have made me 'suspect' – black with the 'wrong' accent and the 'wrong' looks constantly being asked about my ethnic background and heritage. But the cosy rapport with my principal gatekeeper, who is an influential community leader and entrepreneur himself broke down the misgivings. To be sure, my linguistic skills came in handy as well – thanks to my informants' generosity I quickly saw myself communicating in basic Setswana, a factor that contributed to building interpersonal trust.

An ethical issue that dogged me, especially during the period of intense ethnographic immersion, concerned the desirability to establish and maintain a relationship with my participants that was meaningfully reciprocal and non-exploitative. I was aware of the inconvenience and opportunity cost involved in participating in multiple iterations. Yet, with the sole exception of a medium-sized franchisee, who quipped about the cost of his

participation in the one-off in-depth interview, study participants were largely flexible and accommodating.

Although obviously I was responsible for the logistical costs associated with the multiple interactions I had with key entrepreneurs (e.g. covering taxi fares, providing snacks and the occasional lunch), I curiously enquired as to why they were so deferential and yielding towards my incessant requests for meetings, chats and re-interviews. A few had what appeared to be a genuine intellectual curiosity in contributing to the interpretation of the emergent 'discoveries.' Some benefitted from my own role in providing bridges for networking opportunities between and among themselves. My principal gatekeeper, with whom I developed a relationship beyond surface level, was less coy about it: it will help put the Tshwane North Business Forum on the map.

Summary

This chapter described the methodological choices and tools which informed and aided my study. This thesis is anchored in post-positivist foundations, specifically a social constructivist approach that views knowledge as a mix of 'discovery' and the social construction of reality. The findings of this thesis are, as such, not a report of that which is 'out there' but part of a process whereby a particular version of reality was constructed through a dialogue with my interviewees and informants. Through vignettes, anecdotes, quotes and stories, and without reducing that reality to simple models, flow charts and generalisations, I aim to provide a glimpse of the networks of small black entrepreneurs in Tshwane, with particular reference to patterns of social capital and trust, as well as the contingencies of Pentecostal conversion thereon.

Chapter Four

Bonds, Bridges, and Mistrust

“We Black entrepreneurs live together but work separately, [unlike White folk who work together but live apart.]” (Lesego, a township IT entrepreneur)

Introduction

This chapter starts with an epigraph quoting in *ipsis verbis* an influential entrepreneur from the township of Hammanskraal, who eventually turned out to be a crucial participant and an instrumental gatekeeper for my fieldwork. I took care to elicit comments on the quote from my interviewees both in one-on-one conversations and in focus group sessions. The phrase found resounding echo among a cross section of research participants as it speaks to a fundamental chasm that characterises the interface between the domestic and business spheres of small Black entrepreneurs – they live together embedded to varying degrees in kin and communal networks but work separately, denoting a puzzling mistrust and lack of co-operation in the business sphere, even among close kin and business associates. The quote provided an overarching anchor for my enquiry as I sought to understand the workings, contradictions, ambiguities and the boundaries of these now conjoined and now cleft worlds. Indeed, many small black entrepreneurs appear to be caught up in a web of intriguing bipolarities, displaying a collectivistic orientation in the sphere of kin and communal ties, while exhibiting a patently individualistic inclination in the domain of business relationships. To be sure, it was only towards the end of the second year of my fieldwork that I began to disentangle this intriguing pattern, which is characterised by an apparent normative disconnect between the kin and business spheres.

The chapter is divided in two main parts, with ‘living together but working separately’ providing convenient bookends to two obverse sides of the same thematic coin, as it were. The first part examines the broader range of networks in which small black entrepreneurs are involved, with particular reference to the ways in which entrepreneurs access and mobilise social capital. One critical resource for social life in general and entrepreneurship in particular, is trust. My contention is that this is perhaps the biggest socio-cultural handicap facing small black entrepreneurs. As in the case of networks and social capital, cultural factors seem to play an important role in the distribution of trust, or lack thereof, among

entrepreneurs. These display pernicious levels of mistrust of fellow entrepreneurs, foregrounding the second part of the opening epigraph and the chapter [‘work separately’], where we dwell on what is called here the paradox of social capital and trust – undoubtedly one of the most intriguing findings of my research.

Patterns of social capital

In this section I will discuss the various types of networks in which entrepreneurs are involved, the resultant social capital configurations as well as the various sources of social capital accessed and mobilised by entrepreneurs. An attempt will be made at identifying key factors that impinge on social capital profiles. Since Putnam (2000) first introduced the notion of “bonding” social capital and “bridging” social capital, the heuristic is frequently used as a simple distinction between different types of networks, despite criticisms levelled at its dichotomous and evolutionary ‘modernisation’ undertones. The bonding type of social capital focuses on internal ties within collectivities, involving dense connections among members of relatively homogeneous and closed groups, which enhance self-enforcing values and behaviours. This allows the group to function and achieve common goals. A focus on external relations foregrounds bridging forms of social capital, where the links cut across diverse social groups and the individual’s social ties and networks are used for the individual’s own private benefits. For this reason the bridging type of social capital is most prominent in the entrepreneurship literature.

However, contemporary understandings of social capital are increasingly based on a combination of bonding and bridging forms of social capital, emphasising the importance of civic engagement for economic development. For example, Woolcock (1998) argues that social capital contributes to economic development by enhancing systems of reciprocity; improving collective decision making and co-operation between groups; facilitating co-ordinated actions; increasing information transfer; and enhancing trust thereby reducing transaction costs and minimising the need for formal contracts and the enforcement of norms. In the context of this study, where it was important to take cognizance of the structure of ties as well as the shared norms and beliefs embodied in kin and communal networks, I paid heed to both types of social capital, thereby overcoming the tendency to bifurcate research into internal and external strands (Adler and Kwon, 2002).

In addition, following criticisms that a theory of social capital that focuses only on relationships within [bonding] and between [bridging] communities ignores power, the notion of linking social capital was introduced to refer to interactions that link groups or individuals with more powerful individuals, structural or institutional bodies (Woolcock and Narayan, 2000). Thus, in my in-depth interviews I asked questions about entrepreneurs' associational life, eliciting information about a broad array of formal and informal networks of which they are members, including the degree of their involvement, ranging from kin, friendship-based and communal groups to religious, business-related, political and voluntary associations. I explored the range of entrepreneurs' social circles and the degree to which their access to sources of social capital is concentrated on a few contacts or widely spread. Respondents were also asked whether they knew people who could exercise power or influence of different kinds. Of course, individuals embed themselves in a variety of different types of networks, but I distilled three main categories of entrepreneurs based on strategies of social and economic engagement, which can be best described in terms of a continuum of sources of social capital.

Mostly Bonds

Kgomotso owns a dress-making business in Hammanskraal, which she started in 1991 with a sewing machine that her father bought for her. Today she has four sewing units, although she does not employ any full-time worker. However, she utilises the help of six local women who at any given time attend year-long dress-making courses, which provide her with an additional source of income as well.

I had four in-depth interviews with Kgomotso but our paths crossed frequently during the ethnographic leg of my fieldwork. The eldest of 10 siblings, she was born in neighbouring Ga-Rankwa but her first language is Sepedi, her father being from Limpopo. All her extended family members live around Hammanskraal, in neighbouring townships, and within the Greater Tshwane area. She is not married ("I'm still at my father's home"), and lives in Hammanskraal with her two teenage children. Her parents' main house is in Ga-Rankwa. Like the entire family, she was born in the ZCC and is an active member in the church, attending services on Wednesdays, Saturdays and Sundays. Beyond the church, Kgomotso's social life revolves around a family society, which meets once a month alternately at different locations (on a rotation basis). With a membership of over one hundred, the society spans four generations, including elders, uncles and aunties, Kgomotso's cohorts and their

respective children. The uncles are in charge of the society, organising its monthly gatherings. What's the typical agenda? Promotion of comity, it seems. "Just reviving the spirit of *familyship*" (sic), she notes. Members chip in with drinks and food. "Other than eating, drinking, chatting, we also pray," she adds. The grouping doubles as a burial society, with each household contributing R40 per month.

Kgomotso makes a small profit but the business is essentially stagnant, even though it is run from the premises of a "small industry park" set up by the former Bophuthatswana Bantustan. "When I have money," she explains, "I just take money for transport, for phone, for the children, for stock, for rent (business premises), and for me. Also I put aside R100 or R200 to deposit in the bank, if and when there's money, that is," she emphasises. The lean months seem to coincide with winter, when "many people just wear track suits, whereas in the summer they want to dress nicely." If she had more resources she would invest in marketing. "Yes, I'm making a small profit," she says, dodging my request to take a glance at the books. "I've attended trainings but I don't have time to keep my books," she excuses rather candidly. "The problem is marketing; I don't have money for marketing. I wear my own creations to market them. My clients know me here in Temba and Hammanskraal. But when I don't have business, I don't stock and I don't put money in the bank. I just look at surviving..."

So I asked Kgomotso if she derived any benefit from her expansive close-knit family network. "For example, do they refer customers to you or something?" I asked. The answer was an emphatic no. "They don't support me with customers; they don't tell other people that this dress was made by my sister. I don't know why. Since my father bought my first sewing machine 20 years ago, nobody helps me." She went on to fire off a litany of complaints:

All the time they ask for this and for that! My mother is not working; my two younger brothers are not working; my younger sisters are not working; my father is not working. I've got two children. They all want me to help them in some way. If I have something, I do help with money – but not more than R500. They just call me and ask for R100 or R50. If it's something sensitive (sic), I do help. Mind you, these are not loans; it's just giving out (Kgomotso).

I asked Kgomotso whether, given the extent of her active involvement in the congregation, she receives any form of support or business from the church. "No, I don't get support or business from them, but they know that I'm into dress-making. I wear my church uniform, and they know that I made it myself. So why can't they put their orders with me?" To be sure, the ZCC does have a business outreach facility (Kganya Business Group, translation: be bright, shine) that helps members who are in business with advice and even financial

assistance. The latter, however, must be done through collective group projects, and this is the reason why Kgomotso had never used the facility.

When I last met with Kgomotso in April 2010 in a casual conversation over coffee, she sounded more optimistic about her business prospects, going forward. She had received a small in-kind grant from the DTI (Department of Trade and Industry) in the form of business cards, flyers, pamphlets and small posters to support her marketing efforts. [When I sought to double-check if it was indeed the DTI or SEDA (Small Enterprise Development Agency), she appeared surprised to learn that SEDA was based on the DTI campus]. She proudly produced a batch of the newly minted business cards and flyers, which she herself distributes on taxis, in taxi ranks and flea markets. I kept one as a memento. It displays her name and contact details on it, a sewing machine and an academic gown, and a colour picture of a man and a woman dressed in ceremonial West African attire. “People like to mix this style with Tswana traditional clothes,” she explains, while I wondered why it had taken Kgomotso 20 years to put together such basic advertising and marketing materials. In any event, her order book had grown as a result, instilling in her a new sense of optimism. On a prior interview, she had informed me of her decision to phase out the dress-making courses, and that she was looking to hire a full-time worker. This had not happened yet, “because I don’t trust people.”

Recalling the case of a friend of hers, I asked if finally she had found a desire and a plan to take the business to the next level. In an earlier interview Kgomotso had told me the story of this female hawker who sells vegetables and fruits at the gate of a nearby hospital for more than 15 years. She made between R500 – R1, 000 daily, a turnover that appeared to be well above the bare survival threshold of the average township hawker. Nonetheless she had no intention of upgrading her business or taking it to another level. The case had struck me as the perfect example of a survivalist small business owner who does not desire to accumulate capital wealth and grow their business into a more commercial enterprise. The woman had since passed away and her daughter taken over the business. Kgomotso answered the question by once again chalking up her hardships to the fact that she is a single parent raising two teenagers and to being the eldest amongst her siblings, having to support the rest of the family. “I have to share my [business] money with others. This is what has been holding me back for the last 20 years.”

Parenthetically, a rapid assessment of entrepreneurs’ attitudes towards compliance with kin solidarity obligations suggests that in general small black entrepreneurs in Tshwane show a

remarkable level of compliance with this quintessential norm of African culture. The level of conformity tends to be congruent with the degree of social embeddedness. For entrepreneurs deeply embedded in extended kin networks, kinship imperatives often appear to take precedence over business considerations. For example, Gift, the owner of a gardening services business, while acknowledging that compliance with kin requests does impact his business operations and bottom line, categorically stated: “first thing is my family. I can’t say my family is hungry, and I’ve got a profit and then say I’m going to buy another machine. No way! I must give my family so that I can get blessings. When you give with your heart your business is going to grow because of the family blessings.” Except for those Pentecostal converts whose extended family ties have all but been cut off, most entrepreneurs do appear to provide some form of assistance to the extended family, ranging from regular to occasional material or monetary support. The narratives suggest however that there has been an overall reduction in the flow of resources.

In view of the fact that solidarity expectations do also include the broader local community, I explored in passing entrepreneurs’ views on uBuntu. A foundation of the traditional society overturned by colonialism and apartheid, and a widespread concept of African culture signifying its communal orientation, often used in contrast to Western individualism, uBuntu derived from the support networks within the extended family.²⁰ The apotheosis of individual self-expression could be found in service to the family and the community (Oosthuizen, 1997). Here, the picture changes considerably as entrepreneurs denote a more individualistic orientation, with far fewer holding a positive view on uBuntu insofar as their business activity is concerned. Also, there is a generalised consensus among entrepreneurs of all socio-cultural stripes that uBuntu is being adulterated and abused by a combination of free riding

²⁰ The Sotho version of the aphorism *Motho ke motho ka batho* is often translated as: “a person is a person through other persons.” However, African scholars decry the superficial and Western-centric interpretations of uBuntu, which have equated it with communalism, quintessentially opposite to individualism. The African conception of man does not negate individuality. It merely discourages the view that the individual should take precedence over the community. In fact, uBuntu’s respect for the particularity of the other links up closely to its respect for *individuality*. This said, the individuality which uBuntu respects and the Western form of individualism have fundamentally different ontological roots. uBuntu directly contradicts the Cartesian conception of individuality in terms of which the individual or self can be conceived without thereby necessarily conceiving the other (Urban, 2007). Jean and John Comaroff (2001:268) in their seminal ethnography of the Tswana people argue that the ontology at the root of uBuntu is a far cry from the ontology at the base of modern western individualism, in which spirit and matter, people and objects were definitely set apart and in which every man and woman was responsible, on their own account and in their own right, for their spiritual, social, and material situation in a radically disenchanted universe.

and a mentality of entitlement. According to Broodryk (2007), uBuntu values can be distilled to humanness, caring, sharing, respect and compassion, with a strong emphasis on solidarity and community. When asked to define uBuntu, entrepreneurs across the board identified all those dimensions customarily associated with the “correct” definition of uBuntu. These included, in order of frequency, respect, compassion, sharing, giving back to the community, and solidarity. However, when asked whether in their capacity as business owners they practised those dimensions of uBuntu that involve sharing, the picture that emerges suggests that entrepreneurs hold a far more individualistic attitude towards uBuntu, with expressions such as “I won’t go anywhere with uBuntu,” “uBuntu just doesn’t mix with business” dominating the narrative, particularly among male entrepreneurs. Only a minority seemed comfortable with the benefits of uBuntu for business, indicating that they “use uBuntu to my benefit” and “it mixes well with business.”

I took the opportunity to probe further Kgomotso’s networks. As was the case two years earlier, most of the sources of social capital remained confined within the bonding sphere: her networks revolve around the family society and the local congregation. Beyond a handful of business customers and suppliers (she comes to town every Friday to source materials), even community-wide contacts are limited. Kgomotso had not even joined the Tshwane North Business Forum, whose convener sits just across from her establishment. On a previous occasion, treading wearily lest I hit the wrong note, I had wondered why she would not display a more proactive attitude in seeking out instrumental business connections, just as the Bazalwane (born-again Pentecostals) in the township seemed to be doing. Kgomotso:

“ZCC members are not after money. Serving the family and the community is more important than individual prosperity. However, you must be clever there, not stupid. When they need money, if for example I happen to have R150, I give them R50; I keep R50 for my house and R50 for the business.”

By contrast, she retorted pointedly, the “Bazalwane are after money and are not close to their families.” Kgomotso was echoing the well-known ethos of mutualism of African Independent Churches (AICs), particularly the ZCC, whose churches function as networks of care and mutual support, and exhibit a strong sense of “family,” a loan being frequently considered in the light of a gift (Garner, 1998). I must say in fairness that this time around I learned that every three months Kgomotso meets up with a group of four other dress-makers, the remnants of a dress-making association that disappeared six years ago. It is more of a short social gathering, though, at a local fast food restaurant than a genuine business or trade

association. “We just get together for about an hour and discuss our designs and the work of our trainees,” she explains.

So, Kgomotso typifies a category of small black entrepreneurs who are over-embedded in homogeneous, inward-focused networks of extended family ties, local congregations, and solidarity groups, while patently having a very limited social network to draw on when it comes to business resources. One can easily imagine Kgomotso’s motivation would have been strengthened and her access to ideas, information, and markets improved had she been more active in social relations with relevance to her business.

By contrast, Lebogang, a born-again Christian, offers the perfect counterpoint. Largely with the same demographic and socio-economic background as Kgomotso, and operating in the same line of business in the same township²¹, she proactively seeks out and endeavours to access and mobilise resources across a wide variety of diverse external networks in the pursuit of her instrumental goals. Her social capital account balance tilts heavily towards the bridging form, with precious little investment in bonding social capital.

Mostly Bridges

Lebogang’s extended family ties have been downgraded, if not severed altogether in the aftermath of her conversion to Pentecostalism in 1996. Hers is an extended four-generation female-headed household whose social, economic and even emotional ties with the wider kin network have all but been cut off. Lebogang’s mother, the founding pastor of a small Pentecostal ministry in Hammanskraal, is her spiritual and business partner. In the interest of documenting my multiple interactions with, and the dreams and achievements of, this remarkable entrepreneur between August 2008 and February 2011, I invite the reader to peruse a selection of vignettes from my research journal highlighting specifically Lebogang’s thoughts and endeavours towards building bridging ties.

Right from the beginning of my first interview with Lebogang at her garment-making business in Hammanskraal, she struck me as oozing a sense of self-confidence and personal agency that I had not spotted among ZCC entrepreneurs. She started by recounting an unpleasant experience with a business advisor that had been assigned to the community by a Pentecostal mega-church to give talks about government services for SMMEs and help

²¹ A particular line of research takes macro structural factors into account for the differentiated access to social capital, specifically examining how local socio-economic development conditions in different areas determine the opportunity structure of social contacts for the residents in those areas (c.f. Wu, 20005).

prospective entrepreneurs register their businesses. After her conversion in 1996 she used to attend services at this particular mega-church in town until her mother eventually founded their own community ministry 3 years later, an event that I will discuss in the next chapter. At the time Lebogang worked at the industrial plant of a major motor industry company in the outskirts of Pretoria.

“So this white guy was helping the community but at the same time I got angry. He was not giving the whole thing! He was not letting you be free, be independent. He wanted to work for you but didn’t want to empower you. He would have you fill out these forms, and then would take them to SEDA. Although we didn’t pay him, at the end of the day we didn’t know where he was taking the forms. If he said I’m coming after 3 weeks to collect the forms, you’d have to sit and wait. Whereas SEDA is in Sunnyside, and I can go there myself in the same week, and in 3 days get a CC (Close Corporation) registered. He would come with a laptop and file our things and stuff, but I was not impressed. You know, people in our communities don’t like to go to offices. They feel intimidated by the bureaucracy, and I think he was using that as an excuse. So, I decided to go straight to SEDA. One day at a meeting when he was giving a talk about business plans, this advisor told us he was going to make an arrangement to take our forms to SEDA. I raised my hand and said: “sorry, sir, I was at SEDA last week. They gave me an appointment to see them.” He was like: “Eish, why did you go there?” I told him I wanted to speed things up. Then he said: “no, I’ll arrange another meeting; I’ll go with you on Monday.” That’s when I realised this guy was not doing his job” (Lebogang).

The episode prefigured this entrepreneur’s agentic orientation and illuminated how she is able to enact her social life in ways that broadly serve her instrumental goals, perhaps even to the detriment of communal linkages. Late in 2008 Lebogang heard on the radio about a business plan competition for start-ups launched by an SMME agency. She called up their offices in Johannesburg and decided to enter. After going through a series of training and vetting sessions, Lebogang was short-listed among the top 50 contestants out of a pool of hundreds of hopefuls nationwide. In February 2009 she travelled to Johannesburg to make a presentation to a panel of external judges, and was selected among the top 20 entrants. The top 5, top 10, and top 20 participants received monetary and in-kind prizes in the form of business coaching and advisory services. In March 2009 she kindly invited me to attend the awards ceremony in Johannesburg, which I gladly did.

“I may not have made money but my journey last year, since entering and winning the “Believe, Begin, Become” award, helped me sharpen my entrepreneurial skills, especially my business planning, public speaking and presentations, and networking skills. I knew I was the best in my neighbourhood but after meeting talented and experienced entrepreneurs from all over the country, the award boosted my self-confidence” (Lebogang).

In March 2010, as a result of her success in the previous edition of “Believe, Begin, Become” competition, she was invited by the organisers to address the 2010 class. Having been inducted into the agency’s alumni network, she was selected by one of the sponsors (the Branson School of Entrepreneurship in Johannesburg) for further training and possible start-up capital. “You are well connected now, huh?” – I joked. “I don't have any special

connections; I just take the initiative to go out there and knock on all the relevant doors.” Clearly, Lebogang was building up and potentiating her bridging social capital without any privileged political connections.

Seven months later, in October 2010 Lebogang calls me to proudly inform that with the help of the agency she was going to apply for a SEDA/DTI grant to the tune of R1 million. She had recently attended a workshop jointly organised by the SEDA/DTI Tshwane office and the agency, and learned that as the owner of a micro manufacturing business, she was eligible to bid for a competitive grant towards supporting the purchase of manufacturing equipment for micro enterprises. She sounded ecstatic over the phone, against the background noise of machines. I asked her: “What’s that noise in the background? Did the business start to hum now?”

Lebogang: “I’m not like those who after 10 years are still, like, stuck in a survival mode. As you know, I was suffering and battling, but I knew where I was going. Now business is moving. Now I’m an entrepreneur!”

Naturally, this brief conversation reminded me of Kgomotso’s situation, who after 20 years was still in the same spot: surviving with great difficulty, barely eking out a living in the same line of business, in the same township, and with the same disadvantaged background as Lebogang. In the same vein, she was in negotiations with a few members of her mother’s community ministry to raise capital among congregants to launch a small retail shop attached to the manufacturing shop. Participants would contribute anything from R100, and the capital raised would be used to buy stock of accessories for school uniforms (ties, shoes, jerseys, school bags, etc), which she makes and supplies to a handful of neighbouring schools. The “shareholders” will get a return according to the capital invested. Incidentally, I was curious to know why she was not a member of the ubiquitous stokvel, and whether she would not be able to strike a deal to raise funds from such traditional savings groups. Her response was unambiguous:

“I’m not a member of any stokvel. There’s too much gossiping targeting those who want to move forward. They undermine people until you feel small. They drag you down. There’s no way they can support you in any initiative to change your life. They’ll say you have pride and want to be higher than us. There’s no way you can raise money there” (Lebogang).

Of course, at this stage of my research I had already gotten a handle on the paradox of trust and co-operation between in-group institutions such as stokvels and entrepreneurs, a theme that I will discuss later in the chapter.

Earlier in the year, in August 2010 Lebogang had called me up to proudly inform that she had been asked to deliver a motivational talk to a group of women in the township of Tembisa, Johannesburg, on the occasion of Women's Day. Here is a snippet of the conversation.

Question: Congratulations! And what are your talking points?

Lebogang: I'm going to tell them my story – a poor township woman, without a degree, with broken English, taking control of her own destiny. They must get rid of this spaza shop mentality. They must become real entrepreneurs, and stop blaming [lack of government support] for their failure to grow!

Question: Why do you think they are failing to outgrow the spaza shop mentality?

Lebogang: They must break out of their small circles of gossip and stokvel friendships. They feel comfortable there but won't grow beyond the spaza shop. They must go out there and meet new people who can motivate and help them.

And then, sounding somewhat frustrated, she repeated categorically: "I'm not working in the community but I'm trying to work with the community." I asked her to elaborate on that statement.

Lebogang: The reason why I cannot work in the community is because of their mindset and their beliefs. They can oppress you. But once I establish myself as an individual, I'll go back into the community. I just want to free their minds.

Not entirely sure that I had grasped the point I asked whether she meant motivating or proselytising. She burst out laughing: "I can motivate them but I cannot convert them." By the way, eventually she did just that, having gone solo and started the new retail business with her own capital [R3 000]. The idea of enlisting community "shareholders" did not work out. According to Lebogang's phone call in January 2011, the retail shop was now up and running, a fact that I confirmed in loco during my last visit late January 2011. Her mother and her just-matriculated daughter have been helping the three Zimbabwean workers with the factory business, while she was focused on the retail operation, which is temporarily annexed to the manufacturing unit. At the time it was operating in overdrive in order to meet demand from local parents for school uniforms ahead of the new academic year. Lebogang exclaimed: "Without my born-again faith I would not have survived all the trials and tribulations of the last two years. But now I'm an entrepreneur. I have capital!" The application for the

SEDA/DTI micro manufacturing grant had not been successful, but she did receive a small capital injection from the SMME agency that has been coaching her since the 2009 business plan award.

One Sunday afternoon early in February 2011, Lebogang had just returned from delivering an urgent order to a customer, whose child needed uniforms to start school. She disclosed that her business mentor had helped her secure a contact with the Gauteng Chambers of Commerce and Industry in a bid to obtain support for her idea to set up a small garment producers' association to cater for Tshwane North townships. Furthermore, later in the month she would be attending the award ceremony for the 2011 class of the SMME agency's business plan competition. Lebogang was firmly on her way to accumulate further social capital in pursuit of her entrepreneurial dream. Appropriability places an emphasis on how social ties established through how one lives one's life can be used, for example, for business purposes (Alder and Kwon, 2002).

On a downbeat note, though, later in the month she shared the sad news that her seven-month-old granddaughter had passed away. The infant had been ill since she was born. In the next chapter I will come back to this event to discuss some of its cultural and religious ramifications. At this juncture, suffice it to note that the child's death has exposed the paucity of Lebogang's communal solidarity networks. Alienated and deprived from extended family bonds as a result of their Pentecostal conversion, not a member of any burial society or local self-help networks, Lebogang and her mother had only a handful of neighbours and a few congregants of their small ministry who stepped up and offered material help towards the funeral.

Schlemmer (2008) notes that the social capital and networks of what he calls "Black New Pentecostals" in South Africa, the majority of whom are to be found in small community churches, are rather weak, having less close personal friends than, but similarly low levels of involvement in voluntary organisations to "Old Pentecostals." I will argue that the evidence adduced in these stories points to the prevalence of divergent types of social capital.

Kgomotso has predominantly extensive close-knit ties underpinned by a religious ethos of mutualism that generates rich bonding social capital but does not seem to support her individual business activities, whereas Lebogang was found to invest her energies in building a new network of loose ties mostly geared towards the instrumental ends of her entrepreneurial project. However, she was left with a gaping hole in her kin and communal

solidarity networks. With similar demographic, socio-economic status and cultural background, both women invoked or deployed religious beliefs in their entrepreneurial narrative. Thus, the normative content of their social ties, which is shaped by symbolic contingencies, appears to account for the divergent networks and social capital configurations of the two entrepreneurs (Adler and Kwon, 2002). The next chapter will provide an opportunity to unpack specifically the religious contingencies of social capital among the small black entrepreneurs in this study. Next I look into the case of an urban Pentecostal who combines both external business-oriented networks and extensive kinship ties, typifying a category of entrepreneurs who exhibit a more balanced social capital configuration.

Bonds and Bridges

I met Pitso in his posh, spanking new upmarket guesthouse in the heart of bustling Hatfield, Pretoria. The four-storey establishment has a staff complement of 15 full-time workers. After a long stint in the hospitality industry as an operations manager with the Blue Train [a luxury train service], he started his entrepreneurial ventures with his own savings in 2005, founding a bed & breakfast [still running] in the township of Atteridgeville. In order to tap into government opportunities he included his daughter in the Atteridgeville B&B venture, because “there must be at least a female [in the ownership structure].” He claims to have invested R800 000 in that business alone. The Blue Train gave him a rich experience and grounding in customer service. He reckons that with hindsight, he would not have invested that kind of money in the township, but would have set up the business in Pretoria, where “everything happens.” Still, he was fortunate to have landed a [gentleman’s] contract with a major premiership football club, which gave him business over an 18 month period. Besides his strong business and professional networks, Pitso’s account shows that he is deeply invested in extended family ties as well, with the church providing the anchor around which his entire life coagulates.

“Look, church for me is a way of life! It’s not just about going to church; it’s something which influences me – my beliefs and my behaviour.” He explains his four pillars in life, viz. the spiritual one, which comes first because “it influences the other 3 pillars and teaches you moral and good behaviour.” Next come the family, work, and lastly what he calls the ‘social’ pillar, i.e. people outside the family such as friends, contacts, associates. Pitso admits that his Pentecostal church, other than helping him live his family life in a spiritual way, is the

bedrock of his social capital: “In fact, if I must tell you honestly, most of my social networks are also part of my spiritual circles. This is all about your lifestyle.”

Originally from Kwazulu-Natal, Pitso’s family enjoys a more privileged socio-economic position than our previous respondents. All his siblings are professionals who occupy prominent positions in business and government agencies, and they frequently help one another. For example, Pitso has donated his [pickup truck] to a younger brother who was starting a business. As will be illustrated later, this kind of co-operation and reciprocity was not found to be common among the average black family. Most of Pitso’s extended family has relocated from Kwazulu-Natal to Tshwane, and he is close to them all – mother, brothers, uncles, sisters, cousins. Besides funerals, weddings and stokvels, the extended family has a structure that convenes on a regular basis under the leadership of a senior uncle.

We don’t have time to visit one another but strictly once a month our family society meets in informal gatherings where we contribute money for burial and touring events that we organise as a family. We talk informally about a lot of things! We talk about issues of interest for young members who want to get married; we encourage them to get married. You know, it’s about a group thing, making sure that we understand each other’s needs (Pitso).

In contrast to Lebogang, who has had to cut herself off from the fallback of communal ties following her Pentecostal conversion, Pitso did not experience such a radical break as he was born in an ‘urbanised and Christian’ family, as he put it. Thus, he is able to draw on the best of both worlds, as it were, seamlessly embedding himself in networks of kin solidarity as well as in networks of instrumental accumulation. To be sure, in the context of the present study Pitso’s strong ties with extended kinfolk was a rather rare occurrence among Pentecostals, with only another woman entrepreneur from Venda displaying such an orientation.

A frequent narrative to describe extended family ties among born-again entrepreneurs, besides a full-out breakdown, was “very seldom,” as Siphon the co-owner of a well-known auto services franchise in Hammanskraal put it:

“As I said, I’ve got some cousins but very seldom do we meet as a family. The church is the real core in my social life. My cousins belong to [you know what they call] society, family society. I don’t belong there. I’ve got my reasons, mainly because you pay R50 for that and they ‘bury’ R2 000. If you pay R50 in a bank or something, you reap R5 000. Once in a while I visit them individually. When I go out I visit church members; after church we visit each other. Otherwise it’s about my wife and my kids.” (Siphon)

If Siphon doesn’t belong to a family society because he reaps more by depositing the money in a bank, I was left wondering why then he is a member of a 20-strong savings club with older people. His explanation was that the *lebandla* [Zulu for group] is a good tool for savings

education. In any event, Siphso, a seasoned entrepreneur in his early 60s, is a good example of an entrepreneur who connects with the establishment and “works the system.” Over the last 20 years he has owned a string of successful and failed enterprises in the small industry sector. He has been a long-time member of the local chapter of a National Chamber of Commerce. His first venture was an auto-electrician workshop (1979 –1992), which he started in his own backyard, having relocated one year later to the local small industry park of the former Bophuthatswana. At one point the enterprise had 12 employees. In 1993 he took up a position as head of the local trade show, and left the workshop in the care of his 3 nephews, who wrecked the business. With the fall of Bophuthatswana in 1994, he lost the position, and decided to go back to the auto-electrician business. Between 1995 and 1997 he was an employee of the Local Council. He then went on to start a plastic factory (1999 – 2003) with a DTI grant and bank loans, thanks to connections with the Chamber of Commerce. The project involved a partnership scheme with Malaysian businessmen, whereby small satellite manufacturing units would supply plastic parts to a central factory. The scheme folded in 2003. Then he won a construction tender (he had registered a close corporation in 1998); and again thanks to old connections in the Chamber of Commerce he went on to win several major construction tenders until 2004. His current auto franchise business was launched in 2006 at a cost of approximately R2 million (R46 000 for the franchise fee; R900 000 for the equipment and R1 million for the premises).

Besides his church networks, the key word in Siphso’s story is political connections through which he started and grew his varied business ventures and partnerships. In many cases, the business deals and opportunities generated through political connections mitigate against the negative impact of the embeddedness in kinship and communal networks. This is certainly the case with Jason, a member of the local ANC Youth League, whose social contacts and political connections in Hammanskraal enabled him to access NDPG (Neighbourhood Development Partnership Grant) Treasury funds. This is a National Treasury facility meant to help municipalities and townships that can register and apply for programme grants in support of infrastructure development, road and health programmes. He sounded quite clued into the NDPG tender process, whereby Municipalities applying for the grant needed to involve private investment as well. Jason candidly acknowledged that if it were not for these politically connected networks, his entrepreneurial career would have long sunk under the weight of the extended family solidarity needs.

Without the overarching umbrella of faith as in Pitso and Siphos narratives, Lesego provides a typical example of a township entrepreneur whose networks also include both bonding and bridging forms of social capital. Of course, Lesego, an engineer who owns an IT business in Hammanskraal, is the author of one of the key quotes of my research – “We, Black entrepreneurs live together but work separately.” He is deeply embedded in strong networks of kin and communal bonds. Although he is the youngest of his siblings, the fact that he is highly educated and owns a business makes him the mainstay of the extended family. In fact, he provides the link between family networks in and around Hammanskraal and rural kinfolk back in Limpopo province. A member of a mainline Protestant church, Lesego upholds the primacy of kinship, even though the latter provides little more than strong psychological bonds of sentiment and identity. “At the end of the day I’d rather be at peace with my consciousness and my belief system than dodge my social obligations,” he repeated frequently, emphasising nonetheless that family ties represent a drag on his business, as shown in the following quote:

One thing is for sure, family members do not give support. Also, they tend to be suppressive. They believe that you must be kept at the same level [as the family]. As such, when entrepreneurs need support they’ll go to strangers, not to family members. And when we have problems facing us in the business, we can’t convey those to family members. We’d rather go to friends and confide in them over drinks. Also, there’s a strain in relationships, because business absorbs and takes most of our time, and our partners feel isolated, ignored and estranged. It causes frictions among couples. Some of us are told ‘you must choose between me and your business.’ (Lesego)

Well-known and respected in the community, Lesego is a member of a local stokvel. At times, however, he sounded less than happy about his membership. Echoing the same sentiment as some entrepreneurs who are members of stokvels, particularly the more educated ones he appeared to take exception to the continued influence of ascriptive criteria in the selection of individuals for particular roles in the stokvels. “Some of these rules are driven by age. The elders have got more power, even if they don’t have information or knowledge. When an elder speaks in the society, they are listened to even if they are wrong.” Despite this uneasiness and the fact that he does not derive any benefits for his entrepreneurial activities, he valued his continued membership, “as you may need them one day.” In addition, together with his close buddy and business neighbour, he had recently joined a club of 15 individuals (professionals and non-professionals), who contribute cash on a monthly basis towards what they call an emergency fund. Members can draw funds for such occasions as weddings, funerals, emergencies: “We grew up together; I know them all.”

As a founding member of the Tshwane North Business Forum (TNBF), he is actively involved in a number of business-related, professional and civic associations. The forum was established with the assistance of Tshwane Municipality's Local Economic Development Department, and at the time of my fieldwork it was in the process of registering as a Section 21 company, i.e. non-profit organisation. This researcher was fortunate to attend two events organised by the TNBF in conjunction with the SMME programme of a major bank, providing information about government tender procedures and business opportunities ahead of 2010 FIFA World Cup. Given its membership of two hundred, I was unimpressed with the attendance. As it turns out only 60 percent are actively involved, with the remaining members participating in the forum's life only sporadically. Why? "They are basically *survivalists*," Lesego explains. Recently his firm had joined the IT sector of the National African Federated Chamber of Commerce and Industry (NAFCOC)²². Furthermore, Lesego is also in the executive of the Tshwane North Communal Property Association that deals with land claim issues locally. "These are the contacts that I use to make my business survive and grow," he emphasises.

What do these stories tell us about the various types of networks and sources of social capital accessed and mobilised by small Black entrepreneurs? While entrepreneurs belong to a mix of multiple networks with diverse sources of social capital, overall the narratives suggest that some lean towards predominantly kin and communally-based ties, whereas others invest their time and resources primarily in high-value business-enhancing networks. Yet another category, perhaps the largest, navigates with equal adroitness through both inward-looking and external networks. Let us, then, draw out the main sources of bonding and bridging social capital as they emerged from the stories. I begin with the latter.

Sources of bridging social capital

As we noted before, there is a broad consensus in the mainstream entrepreneurship literature regarding the importance of bridging social capital for the start-up's performance, focusing on the network of relationships possessed by an individual or organisation within which resources are embedded (Lin, 2001). In the present study the most common sources of bridging social capital for entrepreneurs were business-oriented organisations, political associations, and networks of high-value weak personal links.

²² NAFCOC is one of South Africa's four main national chambers serving primarily the interests of black economic empowerment companies and small businesses.

Among business-oriented organisations, community-based support networks and associations such as TNBF and local chapters of national business associations were frequently cited by entrepreneurs based in Hammanskraal. Studies demonstrate that in small disadvantaged communities, membership in formally structured networks, i.e. with by-laws, monetary dues, and a governing structure, with the goal of promoting business success, enhances the sharing of information and provides opportunities for network members to achieve competitive advantages in the marketplace (Miller et al, 2007:641). Possible benefits to the businesses from networking commonly cited in the literature and frequently mentioned in the field interviews, included training and development opportunities, improvement of management, and advancements in work practices, or use of technology.

Membership in business associations often appeared intertwined with political connections either through personal contacts with local politicians and councillors or institutional affiliation with the ANC and the ANCYL. These connections provided the links into much sought-after municipal subcontracts and tenders among Hammanskraal-based entrepreneurs, and corporate and government service contracts for those in Pretoria. Siphon and Jason's examples above illustrate how this category of entrepreneurs uses political ties and associations to embed themselves in networks of accumulation. In her study of social networks and informal manufacturing enterprises in Nigeria, Meagher (2006; 2010) identified patrimonial systems that tended to follow a strategy of integration into established client networks. Patrimonial strategies appealed to established and middle-class producers with sufficient resources and social status to work the system, but tended to marginalise women, youth and those from less advantaged class backgrounds.

Within the entrepreneurship literature, Granovetter's (1973) strong and weak tie hypothesis has been widely drawn on and increasingly linked to network characteristics and content. Most research illustrates that the strength of relationship determines the type of resources provided through the network. The literature emphasises that weak ties are more effective for entrepreneurship. For example, an entrepreneur embedded in a broad and diverse network is argued to receive more help and resources compared to an entrepreneur embedded in a confined network, or one which lacks basic resources. Other studies buck the trend, showing that strong ties provide support, knowledge and information to establish the business, and act as business generators and reputation enhancers, allowing entrepreneurs to link into other social circles (Jack, 2005). Recent scholarship suggests that the importance of strong or weak ties may depend on the stage of the start-up's life cycle. Normally strong and cohesive ties

cannot provide the information and resources needed to further develop the firm (Ebers, 2006; Pirolo and Presutti, 2010). In the context of this study, personal networks of weak ties were used across the board to establish and grow businesses.

For example, Beauty, the owner of an auditing firm, shrugged off the importance of strong ties, with especial reference to family bonds: “People have separated and become so independent. For example, my cousins sit in high positions but I can’t go to them and ask for contracts because that relationship is gone.” By the same token, Sonia, a Pentecostal graphic design business owner, and the quintessential example of an educated, urban-based, young crop of entrepreneurs totally disembedded from the extended family and African culture, seemed to extol the strength of her weak ties with rhetorical cynicism: “I don’t have friends. I have business associates.” Likewise, a born-again convert and owner of a construction business in Hammanskraal with eight full-time employees emphasised: “Besides my children, I spend most of my time with business associates. I’m always researching in the Internet on ways to grow my business. Also I network with business owners and sit down with them to learn how they are doing it.” Luvhuami’s textbook case merits mention, as it is one of less than a handful of examples that followed the pattern predicted by the literature, whereby strong ties and weak ties are mobilised in accordance with the specific stages of the business cycle. Strong family and personal links were used to support and help launch her business enterprise, while weak ties are deployed to grow the business.

Luvhuami owns and runs a successful operation, selling, maintaining and repairing air-conditioners. She started the business in 2007, and has 10 full-time employees, including one who is related to her husband. In her late 20s, she is a self-taught technician, holding a BA in Visual Studies from the University of Pretoria and a Diploma in Project Management. She had to defy pressure from both her husband and her family back in Venda for leaving a secure job at a call centre and going into business, never mind a male-dominated industry. Eventually she was able to obtain their blessing, with her mother providing critical support for the project in the form of a bakkie. She runs the business from home, going out for presentations and site inspections. The box below shows that after her breakthrough, which came with a contract to provide and service air-conditioners for a major bank in Gauteng, she relies on a personal network of predominantly weak ties to generate opportunities for diverse resources and information needed to further develop the firm (Ebers, 2006).

Julio: Did you rely on family or on social contacts in order to get your breakthrough contract with the FNB in Gauteng?

Luvhuami: First of all, I needed capital [about R120 000], and no one was prepared to assist me, including Government agencies. Even though my business plan was sound, I didn't have a track record. So I took a R50 000 personal loan from CAPITEC. When I did research for my business plan, I found out that people get air-conditioner contracts through consultants and by contacting clients directly. I had a friend who was a facilities manager who referred me to an engineering consultancy firm. I approached them directly and requested them an opportunity to do a small air-conditioning project. I made a presentation and they were impressed by my determination. And they referred me to the right people who service the FNB air-conditioners. "Go and do a presentation for them, and let's see how it goes," they said. Again, the presentation went well but they were afraid to subcontract me because the FNB is a big client. What they did, they gave me a 1-month trial subcontract, and that was it! I hired the right guys and paid them well, and I'm on board since. I replicated the method by approaching other consulting engineers, and it worked. Now I'm doing all the hospitals in Phalaborwa, Limpopo Province. I'm also doing government departments, and now I'm starting with the Presidency as well. It all comes down to your determination. Now I got to a point where I'm getting business through referrals. (...) As long as you've got the right people to do the job, air-conditioning is easy money! (...)

Besides the bridging social capital embodied in the relatively heterogeneous networks of external ties discussed above, the findings also reveal that entrepreneurs are profoundly invested in internal, homogeneous networks of bonding social capital. However, only in exceptional cases were study participants' bonding ties capitalised upon to support the start-up or draw benefits for the business. As Lesego's account shows, entrepreneurs cannot rely on close strong ties not even for motivation. As we shall see later, the content of these close-knit social ties, i.e. most commonly shared norms and beliefs, has important contingent effects on small black entrepreneurs. The most common sources of bonding social capital were extended family ties and communal associations.

Sources of bonding social capital

The stories related above evince the primacy of kinship ties for a large group of entrepreneurs. From such "survivalists" as Kgomotso to flourishing and highly educated and sophisticated entrepreneurs such as Lesego extended family is one of the main sources of bonding social capital. In fact, for entrepreneurs like Lesego, who cultivate status in the community, kinship ties remain very important. An interesting finding was that a number of

study participants belonged to, or were in the process of forming, family societies, especially those with weakened rural links. Perhaps this is a compensation mechanism to counter the impairment of rural kin ties. In some cases family societies doubled as burial societies.

While bonding social capital is “introspective and reinforces exclusive groupings, allowing for the mobilisation of solidarity” (Putnam, 2000:22-23), as we have seen our findings reveal that only in a few exceptional cases were family ties drawn on to support entrepreneurial initiatives. Even rarer were cases of instrumental engagement of kinfolk in the context of family society meetings. Clara is one such rare case. A young female entrepreneur whom I interviewed in her workshop in Hammanskraal not too far from Kgomotso’s establishment, Clara is in the business of making and selling artistically recycled packaging materials, wall hangings, collages, box frames, greeting cards, and wedding invitations; she also provides interior decor design services, boasting a solid portfolio of corporate clients. A member of a mainline Protestant church, Clara is involved in a family society that meets once every quarter. She emphasised that “Whenever I go to these family gatherings, I always carry with me samples of my work to show them. And I actually get orders from them. Can you believe it? Even to this day I get clients who were referred by my relatives. So they are supporting me!”

Anthropologists have brought to light the tensions between the moral and tactical dimensions of kinship, arguing that only entrepreneurs with certain skills in both dimensions can direct kin-based cooperative effort to instrumental ends (Stewart, 2003:390). The evidence, though, does not allow me to adjudge Clara and a few others as being more adroit than the majority at managing the tensions between the moral and tactical orders of kinship. The next section will provide an opportunity to uncover the deeper phenomenon underlying Lesego’s words, a phenomenon that stands in the way of entrepreneurs’ ability to mobilise kin resources for their entrepreneurial businesses.

In addition to family ties, broader social networks and connections with friends and neighbours are also important as sources of bonding social capital. Informal social groupings seem to coagulate around the ubiquitous stokvel savings groups²³, bulk-purchases schemes²⁴, burial associations, and they are mostly moulded in the tradition of mutualist groups.

²³ About 43 percent of black households in South Africa use stokvels as a savings vehicle. Analysts note that during the 2008/9 financial crisis, about 54 percent of households had put less money into savings accounts, whereas stokvels had maintained their appeal, recording a mere 10 percent decline (Wessels, 2009).

²⁴ According to Lukhele (1990:25-26) the term stokvel may also refer to groups that pool money in order to save through bulk purchases, especially of groceries.

Although some commentators have used the term *stokvel* as an umbrella to designate all types of self-help groups, for purposes of our discussion *stokvel* will refer specifically to informal savings groups, which are of immediate relevance for small businesses, at least potentially (see Irvin, 2005).

Some of these organisations were gender-specific, e.g., women's groceries and birthday clubs. Typically, these tended to involve "survivalist" women entrepreneurs, whereas other more sophisticated clubs involved pooling resources for household materials and home improvement, including appliances, furniture, fencing, paving, etc. These tended to attract better off entrepreneurs and more affluent members of the community. A rare type of social clubs among respondents were home associations, involving older individuals whose families had been displaced from particular locations under apartheid's forced removals policy.

As in the case of family ties, entrepreneurs do not appear to derive any private benefits from participation in *stokvels*. The reader will recall Lesego's explanation for his continued membership despite certain uneasiness: "you may need them one day." To be sure, the literature shows that the benefits to participation in *stokvels* extend beyond conventional economic gains inasmuch as apart from monetary need social support and protection for children or family is most commonly cited as a reason for joining *stokvels* (Irvin, 2005:20). This social benefit notwithstanding, my observations suggest that by and large entrepreneurs seem unable or unwilling to draw any business benefits from participation in close-knit kinship and communal networks.

Why is it then that a group of small Black entrepreneurs in Tshwane, particularly in township settings, are excluded, or shy away from broader networks of bridging social capital and find themselves locked mostly into internal linkages of kin and communal solidarity? In the present study, besides low socio-economic status, the majority of the respondents in this group of mostly bonding forms of social capital shared three main traits, viz. they are women, deeply embedded in extended family ties, and affiliated with the ZCC church.

Socio-economic status

In line with prior research on the social networks of informal entrepreneurs in Africa (c.f. Meagher, 2006; 2010), Kgomotso's story shows that she deploys "desperation" strategies, which involve clinging to a few ascriptive and friendship networks owing to a lack of resources to diversify, and a lack of skills or social status to chart a course of accumulation.

Her membership in trade and business associations was zero, owing to a lack of time and resources for effective participation. Entrepreneurs like Kgomotso were simply obliged to make do with the unreliable and intermittent connections available to them. These entrepreneurs operate in what Goran Hyden called the ‘economy of affection’, which denotes “a network of support, communications and interaction among structurally defined groups connected by blood, kin, community or other affinities” (Hyden, 1983:8). In this economy, economic interaction occurs in the form of cash, goods and services directed to basic survival and social maintenance. The basis for choice is not only cognition but affection. Perhaps more importantly, ZCC’s ideology of communal prosperity, supported by the traditional African ethos of uBuntu, appears to catapult these entrepreneurs’ energies into mutual help and assistance for the benefit of the community, rather than pursuing a course of individual accumulation and prosperity (Oosthuizen, 1997:21).

Conversely, on the opposite end of the spectrum, entrepreneurs like Lebogang represent nodes in wide, diverse, and dynamic social networks that give them access to entrepreneurial resources of different kinds, first and foremost ideas and information, but also capital, trust, and bureaucratic goodwill. Trending towards networks of accumulation are entrepreneurs with privileged backgrounds, young and educated urbanites, and the vast majority of Pentecostal entrepreneurs, regardless of their social status, gender or location. Resonating with Meagher’s (2006; 2010) “modernist” informal manufacturers in Nigeria, these entrepreneurs shifted from kinship and communal forms of engagement to networks that reward modern skills and achievement. Unlike Meagher’s modernists, though, which involved highly skilled producers from more lowly backgrounds this is an eclectic category in terms of socio-economic status ranging from young urban-based professionals to socially disadvantaged township Pentecostals in the mould of Lebogang. The common feature among these entrepreneurs is that, except for a few exceptions such as Pitso, they tended to opt for a contrary strategy of disembedding themselves from local ascriptive networks, particularly extended family ties. This trend was more accentuated among Tshwane-born Pentecostal converts, who rejected or were rejected by extended kinfolk, and looked askance at communal associations such as stokvels.

Having outlined the broad configurations of social capital among study participants and characterised the respective polar types, it becomes apparent that membership in one or the other type of networks seems to follow a pattern. In general, socially disadvantaged entrepreneurs possess a higher stock of bonding social capital than their better-off

counterparts. The literature suggests that there appears to be an inverse relationship between affluence and participation in strong communal networks of reciprocal support (Adler and Kwon, 2002). In Tanzania, peri-urban entrepreneurs are primarily motivated by communal considerations (Hyden, 2001), to the extent that some “think of the company primarily as a unit for short-term subsistence rather than long term wealth accumulation” (Trulsson, 1997:167). Rich in bonding social capital, entrepreneurs like Kgomotso miss the benefits associated with influential connections to business and other life opportunities. According to Lin (2000), inequality of [bridging] social capital is attributable to two principles: “Inequality of social capital occurs when a certain group clusters at relatively disadvantaged positions, and the general tendency is for individuals to associate with those of similar group or socioeconomic characteristics (homophily)” (Lin, 2000:786-87). The two principles operate in tandem to produce social capital inequality:

“Members of a certain group, clustering around relatively inferior socioeconomic standings and interacting with others in the similar social groupings, would be embedded in social networks poorer in resources as well—poorer social capital. Resource-rich networks are characterized by relative richness not only in quantity but also in kind—resource heterogeneity (Lin 1982, 2000; Lin and Dumin 1986; Campbell et al. 1986). Members of such networks enjoy access to information from and influence in diverse socioeconomic strata and positions. In contrast, members in resource-poor networks share a relatively restricted variety of information and influence.” (Lin, 2000:787)

As a result, those with more socio-economic resources will associate with others who have high levels of resources, while those with less socio-economic resources will associate with others who have low levels of resources. Besides underlying socio-economic inequalities, a combination of three interacting factors appears to impinge on the social capital profiles of black entrepreneurs, namely, gender, family ties, and religious orientation.

Gender and ‘identity landscapes’

In a review of existing literature on social capital inequalities, Lin (2000) observes that the types and distribution of this resource vary by gender. Although both men and women are typically involved in a similar number of social groups, men are more likely to participate in large organisations with economic links, while women tend to associate in smaller organisations focussed on domestic and community affairs. Women’s networks also present a far greater diversity and concentration of kin ties.

Sociologist Vibha Pingle (2001) offers one of the rarest studies examining the relationship between patterns of social capital, specifically associational membership, and the success of small black entrepreneurs in South Africa. She provides a gender-focused analysis

explicating the historical and political forces underlying the associational orientations of rural men and women entrepreneurs, contrasting them with their urban counterparts. Predictably, industry-specific trade associations promote small business more effectively than other kinds of associations do. Formal trade associations were overwhelmingly dominated by men. In her sample, the women entrepreneurs who were members of trade associations happen to be primarily based in rural areas.

Pingle (2001) uses the notion of 'identity landscape,' which influences the kinds of associations a person is likely to join. A person's identity landscape is their map of the world; their interpretation of their history and culture; a map which allows them to choose a certain set of social actions over others; it identifies with whom they [micro entrepreneurs] wish to engage in business, and with whom they do not. Thus, associational ties are understood in a historical, institutional, and cultural context, with the identity landscapes of urban women, leading them to join ascriptive and communal associations.

Elsewhere in a comparative study that besides South Africa included poor women entrepreneurs in Egypt and Islamic Nigeria, Pingle concludes that the greater the number of associational memberships, the less likelihood there was of entrepreneurial success. Membership of one or two groups had minimal negative impact on the performance of microenterprises; but membership of three or four groups significantly decreased the likelihood of the enterprise becoming successful (Pingle, 2008:287). Conversely, successful microenterprises in the sample were connected to networks outside their community through NGOs, state agencies, or economic associations. "These connections informed them of growth possibilities, inspired and motivated them, and provided technical assistance" (Pingle, 2008:287).

According to Pingle (2008:291), in the various communities studied, "social pressure to conform (placed by the community on micro-businesswomen) and the absence of connections to external networks appear to undermine the ability of women microentrepreneurs to generate sustainable livelihoods from their business." In all three countries, micro-businesswomen observed that it was difficult to see themselves as businesswomen, because of community pressure to conform to the local cultural ideal of a "good woman" (Pingle, 2008:291). Women with young children drew on familial and community networks for support with childcare and childrearing. While clearly a benefit, these networks also "constrained women from becoming successful micro-entrepreneurs,

unfortunately undermining the woman's ability to run business in ways that promoted entrepreneurialism and innovation" (Pingle, 2008:293).

While the social support system of urban women does appear to help them to start a small business fairly easily, it is of little use in helping it succeed. One might even argue that the social associations of which they are members undermine the success of their businesses. Moreover, their identity landscape steers them away from joining formal trade associations, leaving most urban women with few networks useful for their business' success. My findings are partially consistent with Pingle's thesis insofar as the vast majority of entrepreneurs in Kgomotso's position are indeed women. By contrast, according to Pingle (2001), urban men are successful at businesses because their identity landscape leads them to join formal trade associations. The contacts developed in those associations play a crucial role in helping their businesses to succeed.

Similarly, empirical research elsewhere in Africa points to the reproduction of gender asymmetry in social capital accumulation. In rural Uganda men are likely to have more friends and to form more links with individuals in off-farm employment than women (Katungi et al, 2007). In her study of Tanzanian SMMEs, Rutashobya (2002) found that gender of the entrepreneur was the main determinant of, and has a direct influence on, the characteristics of the network the entrepreneur is likely to have, both in terms of composition and strength. She argues that differential performance in entrepreneurship by gender may partly be explained by the differential access to social capital benefits arising out of gender differences in network relationships and network composition. The social system in which interaction networks are embedded produces constraints on women entrepreneurs, causing their business discussion networks to differ from those of their male counterparts both in terms of composition and characteristics and entrepreneurial outcomes. With female entrepreneurs generally perceived as being more inclined to emotional involvement, their network composition is largely focused on kinship members. This results in female entrepreneurs having a relatively large proportion of strong ties in their networks as compared to their male counterparts' networks, which have been found to be comprised of weak ties, fewer family ties and more co-workers (Rutashobya et al, 2009). As a consequence women entrepreneurs tend to have more homogenous networks in terms of kin composition. It has been argued that ties with more kin and less non-family members are conditioned by preference for social insurance as opposed to economic benefits (Hyden, 2001).

So, Kgomotso's identity landscape has her locked into a double whammy as she is deeply embedded in strong extended family ties that do not translate into instrumental gains for advancing her business goals, and at the same time she lacks the social bridges and links necessary to access resources in external networks. Let us focus on the latter and momentarily leave aside the question of why bonding social capital does not transfer to the entrepreneurial domain, which is the main focus of the next section.

While networks and social ties are conditioned by history and cultural context they are not exogenous and immutable features of the social landscape. Individuals join or face exclusion from groups and networks in part because of the expected effects of membership and in part because of their socio-cultural identities, which co-evolve with group and network membership. Rational choice commentators would argue that social ties may be preserved to the extent that they provide advantages to the individuals in question or, conversely, those whose social networks provide no advantages or even encumber material advance, will be more likely to sever ties and to distance themselves from traditional networks (Barret and Foster, 2007). But in an 'economy of affection' the basis for choice is not only cognition but affection (Hyden, 1983). Does Kgomotso's embeddedness in the economy of affection, specifically her close-knit family ties put a crimp on her ability to reach out and engage in networks of bridging social capital? We can attempt an answer to this question by comparing and contrasting Kgomotso's profile with another woman entrepreneur who shares a similar disadvantaged background and identity landscape.

Family ties: structure and agency

Lerato is a ZCC woman entrepreneur in the neighbouring township of Mabopane who does not quite fit Kgomotso's social capital profile. Although I only had a single interview with Lerato, it immediately became clear to me that her story was at variance with the over-romanticised *Gemeinschaft* of most ZCC study participants both in terms of communal and entrepreneurial orientation. In fact, I was referred to Lerato by the Tourism department of Tshwane Municipality because she owns an award-winning traditional crafts manufacturing shop, and had just scooped another municipal prize. Lerato started the business in 2003 out of her garage on a part-time basis, becoming a full-time operator in 2005. She specialises in African interior decor using local materials. At the time of the interview in August 2009 Lerato employed 2 full-time workers.

Unlike Kgomotso, Lerato's extended kin networks are weak. Of South Sotho heritage, she has only a few relatives in Pretoria, while her husband's family in Hammanskraal appears to have been depleted by attrition. "There's no one left there. They all passed away. Even here in Mabopane we are alone. There's nobody left." Even though she considers herself close to the [remaining] family, clearly the emphasis is on her husband and three children: "I need to save for them." She recalls that "in the beginning I suffered a lot because of the pressure to give. I was soft and lost a lot of money. Now I've learned. I'm a changed woman. Even though I don't alienate my family, now they know I don't do *sekoloto* (strictly it means debt, but in popular parlance it means taking something or money on credit and paying sometime in the future, if ever, or not paying at all 'because we are family').

Contrast this with Kgomotso's extended family orientation: "When they need money, if for example I happen to have R150, I give them R50; I keep R50 for my house and R50 for the business." Lerato recounts that "Nowadays, if they like and need any of my products and ask me to make for them, I demand deposit. And they go like 'what kind of a sister is this?' If they request money, at best I put them to work or contribute labour." As a result, visits from kinfolk, which were "too many and too frequent" in the beginning, had since reduced. Unabashed, she assures that "if I were to take care of the education of one or two kids from my extended family, they would have to chip in for maintenance. Even if family is to visit and stay for a few days, they must contribute with groceries." Clearly this does not square with Kgomotso's uBuntu and ZCC mutualism. Like the rest of her family, Lerato was born, and met her husband in the ZCC, and they attend church twice a week.

Kgomotso's trips to town are strictly confined to shopping rounds looking for raw materials and supplies from traders. In contrast, Lerato endeavours to plug into professional and business-oriented networks, including relevant SMME agencies. When asked if she had received or receives any kind of family help, she turned instead to formal sources and channels of small business support, reeling off a series of organisations that she has associated herself with or been helped by:

No, there's nobody. I stand by myself. No family help, except if I need help from him [my husband]. Other than that, I'm standing by myself. But I know where to go for help. I've been to Umsobomvo (the former youth development fund), the DTI and SEDA, GEP, and even the Municipality. Right now I'm busy making enquiries to join SAWEN – South African Women Entrepreneurs' Network (Lerato).

Unsurprisingly, in contrast with Kgomotso's prolonged stagnation, Lerato has growth aspirations for her business: "I don't want to see myself still operating in this garage in 10

years time.” At the time she was in the process of opening a stand in Montana, Pretoria North, within the premises of a major retail chain. “They are interested in my bags. They ordered a small batch of 20 just to start and see how it goes.”

It appears as if Kgomotso’s overreliance on solidarity in the realm of primary relationships, which anyway do not translate into entrepreneurial benefits, constrains her ability to engage in wider networks. Specifically, an emphasis on strong extended family ties to the detriment of weak ties may handicap sociability and limit her world views and access to resources in wider networks of horizontal relationships. Then again in the economy of affection that underpins strong ties to extended family, there is preference for social insurance as opposed to economic benefits (Hyden, 2001). Drawing upon both development theory and relational sociology conceptualisations of agency we attempt to make sense of Kgomotso and Lerato’s divergent social capital profiles. Of course, both the extent of agency and the objectives that people value depend in part on the environment in which the individual lives (Stewart and Deneulin, 2002:67). By assessing the structures that influence individual agency and the formation of choices, we hope to shed light on the dissimilar entrepreneurial paths of two women entrepreneurs who share a similar identity landscape and socio-economic background.

In a most general sense, the problem of agency is that of the extent to which actors are capable of pursuing their own objectives rather than respond to stimuli and constraints established within institutional, structural and historical contexts within which they function. Independent of disciplinary boundaries, the concept of agency relates to the question of autonomous action by an actor (Chajewski, 2007). Let us begin with the capability approach to development.

The reader will recall from our literature review in chapter one that Sen’s capability approach, by displacing conventional welfare economics and the traditional concern with either resources, utilities or income, emphasises a more intrinsic concern with what people manage to do and to be (Robeyns, 2005). In addition to the notion of functionings and capabilities (pages 36 – 38), agency is the third core component of Sen’s capability framework, defined as the ability to pursue goals that one values and has reason to value. An agent is ‘someone who acts and brings about change’ (Sen, quoted in Alkire and Deneulin, 2009).

In Sen's view: (i) agency is exercised with respect to the goals the person values and has reason to value; (ii) agency includes effective power as well as direct control, that is, it includes not just individual agency, but what one can do as a member of a group, collectivity or political community; (iii) agency may advance well-being or may address other goals – for example, relating to the good of one's family or community, of other people and of art and the environment; (iv) to identify agency entails an assessment of whether the agent's goals are in some way reasonable – a person who harms or humiliates others would not, in this view, be exerting agency; (v) the agent's responsibility for creating or sustaining a state of affairs should be incorporated into his or her evaluation of how to act as an agent (Alkire and Deneulin, 2009:37-38).

Even advocates acknowledge conceptual weaknesses in capability approach's notion of agency. Robeyns notes that it is clear that the capability approach attaches great importance to personal choice. This makes the theory belong to the class of "opportunity-based" theories instead of "outcome-based" theories. In principle, it allows for a notion of responsibility to be introduced. However, in striking contrast to the mainstream of Anglo-American political philosophy, Sen has paid very little attention to the issue of personal responsibility (Robeyns, 2003; 2005).

Sociologist Kumar Giri contends that Sen's notions of functioning and capability of individuals lack emphasis on self-development and how individuals can themselves advance their functioning and capability. Further, his notion of well-being as distinct from the agency aspect of the human person and his dualism of negative and positive freedom are not helpful for what Sen himself calls a "comprehensive redefinition of human development as a quest for freedom. Finally, freedom is not sufficient and development as freedom needs to be supplemented by a quest for development as responsibility" (Giri, 2000:1004).

Sen's view of well-being lacks a notion of critically reflective, creative, transformative self, and his notion of capability does not embody the seeking and quest for being, becoming, self-development and self-realisation on the part of the actors. The problem is not confined to Sen's thinking about well-being; it permeates his thought in related domains, e.g. freedom, social criticism, inter alia. In all these domains Sen's reflections have provided invaluable resources to rethink our predicament but realisation of the potential of such a project is hindered because Sen takes the self for granted and thinks that the task of creating a good

society is primarily a task of collective action at the level of state and society (Giri, 2000:1004).

Giri argues that a redefinition of human well-being in terms of 'functioning' and 'capability' of individuals and of development as freedom needs to be "supplemented by a reconceptualisation and realisation of development as responsibility where freedom is an object of both personal and social commitment" (Giri, 2000:1004).

The poor and the disadvantaged are not only objects of welfare. The difficulty is that Sen's 'functioning' and 'capability' do not embody striving for self-development on the part of the poor. Despite Sen's celebration of human agency, one does not find much of an agent's view of the disadvantaged in his writings and his capability approach to human well-being lacks an objective of self-actualisation or self-realisation (Giri, 2000:1007). Sen's position on human well-being suggests that the latter has a foundation primarily in a desirable social order. "[But] desirable social order must have its supplement in a desirable self which in turn must be supplemented by ontological striving, *sadhana* (devoted pursuit) and appropriate self-cultivation" (Giri, 2000:1009).

In sociology agency theory typically cannot be explained without reference to a version of a structuralist or a normativist approach. Agency research in sociology relates to the question of free will, in an opposition to various constraints, some of which can be structural, some of which are related to the norms imposed by society. The question of agency has thus been conceptualised as the issue of how individuals can alter the conditions of their own lives (Emirbayer and Mische, 1998:964). Relational thinking is a way to overcome the stale antinomies between structure and agency that have dogged the discipline through a focus on the dynamics of social interactions in different kinds of social settings (Mische, 2011). The key elements of a relational theory of agency are useful for the present purposes.

The definition of agency offered by relational sociologists focuses on the embedding of actors in multiple socio-temporal contexts, with varied orientations toward past, present, and future (Emirbayer and Goodwin, 1994; Emirbayer and Mische, 1998). Agency is defined as a temporally embedded process of social engagement (and disengagement), "informed by the past (in its 'iterational' or habitual aspect) but also oriented at the future (as a projective capacity to imagine alternative possibilities) and toward the present (as a 'practical-evaluative' capacity to contextualize past habits and future projects within the contingencies of the moment)" (Emirbayer and Mische, 1998:962n). We can see echoes of this in

Appadurai's notion of capacity to aspire. Conceived as a forward-looking cultural capacity, especially among the poor, the projective capacity to imagine alternative possibilities can support the future-oriented logic of development by accelerating the building of other capacities by the poor themselves (Appadurai, 2004).

In relational thinking individual identities are inherently constructed: actors' identities are culturally and normatively, as well as societally, determined. Consequently, individual autonomy is a constructed phenomenon in the sense that it is only made possible by "the sheer multiplicity of structures – societal as well as cultural – within which social actors are situated at any given moment" (Emirbayer and Goodwin, 1994:1444). More importantly, it is also made possible by actors' location among a multiplicity of cultural structures, such as idioms, discourses and narratives (Emirbayer and Goodwin, 1994:1445).

In short, different temporal and relational contexts (e.g. historical, social-structural, cultural) affect actors' agentic responses. Crucially significant for the present purposes is the relational dimension insofar as the embeddedness of actors in multiple cultural, social-structural, and social-psychological contexts is conducive to more autonomous personal identities. In other words, multiple embeddings in situations of different frames translate into actors placing themselves in bridging positions.

From the foregoing, we can profitably deploy insights both from the capability approach and relational conceptions of agency to illuminate us as to the divergent social capital paths and agentic profiles of Kgomotso and Lerato, two female entrepreneurs with otherwise seemingly identical socio-economic circumstances. In Kgomotso's case, agency includes not just individual agency, but it is chiefly exercised with respect to the goals she values and has reason to value as a member of the extended family group. Indeed, the latter appears to take precedence over individual agency as evidenced by Kgomotso's multiple pronouncements pointing towards an agentic orientation that puts a premium on advancing the well-being of the extended family (e.g. *ZCC members are not after money. Serving the family and the community is more important than individual prosperity... I have to share my [business] money with others. This is what has been holding me back [for the last 20 years]*). Thus, membership of ascriptive associations and a particular type of agentic orientation dually define Kgomotso's social capital profile. Specifically, over-embeddedness in a narrow range of primary relationships of close-knit family structures, alongside a collectivity-oriented agency and autonomy underpinned by traditional solidarity values, steer Kgomotso towards

networks that are rich in bonding social capital. The drawback, however, is that like the women microentrepreneurs in Pingle's (2001; 2008) study, overexposure to familial and community networks to the detriment of bridging connections, decreases the likelihood of successful enterprises. These connections outside the community inform entrepreneurs of growth possibilities, inspiring and motivating them (Pingle, 2008:287). This resonates with Appadurai's notion of 'capacity to aspire,' where poor women cross "massive cultural boundaries and discuss aspirations and other designs for the future" (Appadurai, 2004:75).

Conversely, owing to the fortuitous absence [by attrition] of extended family networks, Lerato's social capital profile is defined by multiple embeddings in structural contexts that seem to predispose her to an individually oriented agency. Indeed, her location among a wider range of diverse societal as well as cultural structures [such as idioms, discourses and narratives] fuel Lerato's individual autonomy. Thus, by placing herself in bridging positions of external weak ties that embody alternative normative commitments, and in the absence of extended family links and obligations, Lerato is free to pursue individualistic goals of entrepreneurial self-interest in contrast to Kgomotso's choice of the collective goals of familial and community oriented entrepreneurialism. As will become apparent in subsequent sections and chapters, these various social structural configurations and agentic orientations, fused with a multiplicity of cultural contingencies, are at the core of divergent entrepreneurial pathways. It can, of course, be argued that no two individuals are any more alike than two snowflakes, so to speak, and that variability in Kgomotso and Lerato's agentic orientation results from idiosyncratic responses to particular constraints. However, as Schweitzer (2000:212) puts it, "individual strategies are never independent from larger structuring contexts: idiosyncrasies can only be perceived against a background of expected modes of conduct." Or as a capabilities scholar would frame it, "these interpersonal variations in conversion [of the characteristics of the commodities into functionings] can be due to either personal or socio-environmental factors" (Robeyns, 2003:17).

Having said this, beyond the socio-structural contexts of embeddedness and the divergent agentic responses, entrepreneurs' social capital profiles, and indeed their broader aspirations, strategies and business outcomes are also affected by the cultural context and the normative content of their networks. Given the centrality of religion in the definition of a "good life," i.e. in the pursuit of goals that one values or has reason to value, Kgomotso's choice of the close-knit solidarity networks likely finds added normative legitimation in the ZCC ideology. It will be recalled that Kgomotso's four-generation 100-strong family society meets every

month and all members of the extended family are affiliated with the ZCC, family and church thereby reinforcing each other. While Lerato is equally a member of the ZCC, the impact of the latter on her agentic orientation and social capital profile is likely attenuated by virtue of the fact that Lerato is totally disembedded from extended family networks. More importantly, her location in a multiplicity of cultural and social-structural contexts is conducive to a more autonomous personal identity, opening up opportunities for connections to external networks.

Religious orientation: ZCC versus Pentecostals

As noted earlier, most entrepreneurs in Kgomotso's mould were women of modest socio-economic status, deeply embedded in extended family networks, and members of the ZCC. These churches appear to provide a cultural context conducive to the social capital profile of entrepreneurs like Kgomotso. It is widely known that ZCC congregations function as networks of care and mutual support which do not subscribe to the doctrine that individual prosperity (rather than communal prosperity) is a goal to be pursued (Oosthuizen, 1997; Garner, 2000). They seek to "guarantee individual economic empowerment by promoting the economic empowerment of the entire community" (Oosthuizen, 1997:16).

Unsurprisingly, Kgomotso and most ZCC operators seem to subordinate their businesses to the interests of the extended family and the wider community. Given the "survivalist" nature of such businesses, particularly among women, profit does not seem to be an end in itself. The purpose of the enterprise is not primarily to ensure maximum utilisation of the capital invested, but to provide for the needs of the entrepreneur and his kin as well as to accumulate status, influence and power. In fact, it has been argued that however big the enterprise, it is still viewed as part of the household, not a separate entity (Wild, 1997:277).

Thus, structurally over-embedded in extended family ties and culturally supported by the ZCC ethos of mutualism, it stands to reason that entrepreneurs like Kgomotso should opt for the social insurance of networks of familial and communal solidarity, thereby putting a high premium on bonding forms of social capital. On the face of it, membership in homogeneous, close-knit family and ZCC solidarity networks with few opportunities and normative incentives for weak ties with external groups may help us understand the dearth of bridging forms of social capital among ZCC women entrepreneurs of low socio-economic status. Furthermore, adding to the comparatively subdued sense of individual agency most ZCC entrepreneurs denoted, whereby agency was exercised principally with respect to the

collectivity, was the social-psychological environment of fear-driven prophecies within ZCC congregations. This is a subtheme that we shall return to in the next chapter.

In contrast to ZCC entrepreneurs, their Pentecostal counterparts appeared to be normatively primed to seek out dynamic networks of accumulation and displayed a sense of enhanced individual agency. Moreover, religious associations proved to be a source of bridging social capital among Pentecostal entrepreneurs. While sites of exclusive bonding ties par excellence, many Pentecostal churches provided a platform for business opportunities by mobilising urban networks of professional contacts and sources of financial assistance. Symptomatically, the vast majority of entrepreneurs with access to sources of bridging social capital were Pentecostals, regardless of whether they were women from disadvantaged backgrounds in townships like Lebogang, or men from more privileged social positions such as Pitso and Siphon.

These observations are consistent with those of Meagher (2006; 2010), who found that the strategy of 'modernist' informal entrepreneurs in Nigeria involved rejecting participation in one's hometown association in favour of conversion to exclusivist Pentecostal religious societies. Modernists effectively followed a Weberian strategy of frugality, skills and hard work, often articulated through conversion to non-orthodox religious movements or new associations. The next chapter will provide an opportunity for an in-depth treatment of the ways in which religion, particularly Pentecostal conversion was found to interplay with kinship and critical dimensions of social capital to influence entrepreneurial orientation.

The preceding section sought to offer a contextualised account of the networks of small black entrepreneurs, and distilled their social capital profiles and respective sources. These were presented in terms of a continuum ranging from an overreliance on bonding forms to the extreme opposite of bridging social capital. An attempt was made at uncovering some of the drivers of associational membership that shape the social capital profile of small black entrepreneurs. Drawing upon conceptual insights from the capability approach to development and relational sociology, we examined particular socio-structural and cultural combinations that influence agency and indeed determine the formation of objectives people value. The evidence adduced points tentatively to the interplay of social-structural and cultural factors such as socio-economic status, gender, family ties, and religion, which bring forth disparate and unequal agentic orientations and social capital profiles. For example, entrepreneurs like Kgomotso were found to be locked within the crucible of a relational

context characterised by disadvantaged socio-economic background, gender-specific identity landscapes, over-embeddedness in extended kin networks, and a religious orientation conducive to values of familial and communal solidarity, which interpenetrate and reinforce each other. On the face of it, the structural overexposure to networks of bonding social capital, which are intertwined with, and influenced by, cultural and religious norms of communalism, can act as barriers to mainstream entrepreneurialism, as it can result in entrepreneurs being confined to low-value networks. The challenge for entrepreneurs like Kgomotso with a deficit in bridging social capital is to expand their networks beyond kin and community-based groups, creating multifarious alliances across differences. Can these entrepreneurs convert some of the rich bonding social capital into bridging ties susceptible to being harnessed by their businesses? The empirical evidence points to a challenging handicap in the form of mistrust.

The Trust Paradox

“We treat our businesses as work or employment – something that you go to when you leave your home or the community. You, like, leave your family, your community values at the gate, and go into this ‘modern world’ of business.” (Itumeleng, an entrepreneur from Hammanskraal)

The present section comes closer to unpacking the second part of the epigraph (*‘work separately’*) and the related question: why is there so much mistrust among small black entrepreneurs? We thus shift our focus towards the workings of trust, delving into the contradictions and struggles of black entrepreneurs as they grapple with the tensions between the instrumental action required to advance their business goals and the expressive action within close-knit networks. Therein lies the paradox of *living together and working separately*, for the rules of thick trust that apply and are culturally sanctioned in the expressive realm of kin or community in-groups do not seem to jump the boundary and transfer to the instrumental sphere of business.

Trust is central to social capital theory, and has been described as the glue and lubricant that holds networks together. Specifically, trust and co-operation within networks have commonly been used as measures of social capital. As set out earlier, contemporary treatments of social capital are based on a combination of bonding and bridging forms of social capital (Adler and Kwon, 2002; Woolcock, 2001). One of the key postulates in the social capital literature is that social capital within one type of social relationship will foster the generation of social capital at another. That is, social capital within one network will translate into social capital in other aspects of social life. In particular, it is most typically assumed that social capital within the

family and the community will generate social capital in other spheres of life, for example, increased democracy, trust in institutions, and neighbourhood cohesion (Putnam, 2000).

A key takeaway of the previous section was that generally entrepreneurs are embedded in networks with access to some form of bonding social capital. However, as we shall see in the present section, a critical resource in the sphere of bonding social capital does not seem to transfer to the entrepreneurial activity, i.e. trust among kin and communal networks is not capitalised on for business relationships, resulting in an acute deficit of co-operation among small black entrepreneurs. The section seeks to unpack the phenomenon of non-transferability of social capital, i.e. the bonding ties and all the privileges that inhere therein, especially trust and goodwill, do not translate into bridging social capital. As Lesego put it, small black entrepreneurs ‘live together’ in the confines of their kin and communal networks, but ‘work separately’ in the private domain of their businesses. The collectively oriented entrepreneur, embedded in close-knit networks of family and communal ties, morphs into an individualistic, lone operator bedevilled by mistrust, lack of goodwill and co-operation on the part of kin, community, and fellow entrepreneurs. Cast in these terms the full import of Lesego’s words, which guided much of the ethnographic stage of my fieldwork, become clearer.

Initially I pursued a line of enquiry based on the paradigm of ‘separate spheres,’ taking my cue from the likes of Lesego and others, whose narratives consistently implied that their social lives do not cohere, i.e. they are normatively disconnected, as suggested by the opening quote of this section. Eventually, as I became more immersed in the community, especially in the townships around Hammanskraal, and as my repeated personal interactions with gatekeepers and key informants solidified, I was able to gain a more fine-grained cultural insight into the workings of the ‘trust paradox.’ The discussion will thus proceed according to the sequence in which the enquiry unfolded, beginning with a consideration of the ‘separate spheres’ argument and its competing ‘connected lives’ counterargument, followed by an examination of the cultural drivers of mistrust that affect so many small black entrepreneurs.

Though other disciplinary classifications of trust exist, two are the most widely acknowledged in entrepreneurship research: personal and institutional trust. Personal trust generally obtains in non-commercial relations and may depend on the characteristics of a group such as an ethnic or kinship group; but it also occurs in bilateral (business) relationships, often long-standing ones where persons have come to know each other. In both

cases, there is 'suspension of risk,' i.e. the persons know or assume that the partner/friend will not behave in a way that is detrimental to the relationship even when there are no written or explicit rules set out. This means that these relationships are governed by norms, values, and codes of conduct inherent in a business environment (e.g., a business association) and/or a wider society (Welter & Smallbone, 2006).

The key concept of institutional trust refers to trust in the institutional environment, which includes the social, cultural, political and organisational embeddedness of economic transactions (formal organisations), sanctioning mechanisms (such as through the implementation of the legal process), and informal codes of conduct and values. Contrary to collective norms and values (such as the conventional ways of doing business and making business agreements within a particular sector or interest group), institutional norms apply across different sectors and business groups, thereby putting a premium on formal legal structures. In this perspective, trust is an incrementally created outcome from successful transactions among individuals or organisations supported by an instrumental calculation of risk assessment (Welter & Smallbone, 2006). Just as different configurations of social ties come into play depending on the different stages in business development, so too changes in the forms of trust go hand in hand with stages in business development. For example, research shows that during venture creation, most entrepreneurs rely on informal sources in their personal networks in order to mobilise resources, whereas more institutional forms of trust are required for business development and growth. This implies that entrepreneurship is typically affected by a mixture of personal and institutional trust (Welter & Smallbone, 2006).

Sociology takes a different approach to the notion of trust, to a large extent reflecting its treatment of rationality as a variable, rather than as simply axiomatic as in rational choice theories. Sociological approaches to trust emphasise the ability to take for granted the relevant motivations and behaviours of others. Trust is seen not as a matter of legally framed transactions between contracting parties but as generated by social structures not reducible to instrumental individual actions, and supported by a normative infrastructure (Anheier and Kendall, 2002:349). Sociologists establish a key distinction between 'thick' trust and 'thin' trust. Thick trust is embedded in highly personal relations that usually form the densest part of an extended network of close-knit family, friendship and communal ties. By contrast, thin

trust or social trust, based on everyday contacts, professional and acquaintance networks involves a much greater number of ties that form less dense relations (Putnam 2000:136).

However, some commentators dismiss reliance on primary relationships (family, kin) and communal solidarity as trust, emphasising instead the uncertain and asymmetrical dependence on another as a key characteristic of trust (Barbalet, 2008). In this vein, trust is the type of social capital embedded within relations with strangers, defined by the condition of impersonality or anonymity (Torche, 2004), and it becomes relevant “when people become dependent on and vulnerable to the actions and decisions of others” (Zahra et al, 2006:542). This conception of trust seems to be congruent with Granovetter’s notion of generalised trust: ‘strong’ or (‘thick’) ties with our families and close friends can’t build generalised trust; only ‘weak’ ties with strangers can accomplish that. As Uslaner (2002:86) puts it, “Chances are that exclusive reliance on the old-fashioned mechanism of generating trust on the basis of personal familiarity is hopelessly insufficient, as it makes us forgo, in the absence of alternative trust-generating mechanisms, many opportunities for mutual cooperation.”

Recent conceptualisations of trust seek to shift attention away from structural determination to relational processes of biography and interaction (see Frederiksen, 2009; 2011). The agent is not an empty vessel continually filled and drained by shifting social relations. The agent experiences and reflects over social relations constructing a biographical identity of the diachronically experienced web of relations. This biographical identity consists of the experience of relations as well as a mode of experiencing constituted by the relational position. Substituting the self-acting agents’ interpretation of an objectified social reality with this relational perspective turns interpretation into the continual process of fitting the synchronously experienced relations into the biography of aggregated relational experience (Frederiksen, 2009:12-13).

For the present purposes, and in light of our previous discussion of bonding and bridging social capital, I retained the heuristic distinction between thick trust and thin trust. Broadly speaking thick trust inheres in bonding forms of social capital such as kin networks, community groups and *stokvels*, while thin trust, in this case, is related to bridging forms of social capital in that it provides individual entrepreneurs with the confidence they need to engage in instrumental action with people of diverse social, economic, and political backgrounds. The in-depth and ethnographic format of the study provided an opportunity to explore and probe these varied dimensions of trust-based relationships, obviating the cultural

semantic differences concerning the meaning of trust that typically plague studies in which respondents are asked survey-type questions such as “how much trust do you have in ...” (Welter and Smallbone, 2006). Crucially, the focus group sessions, key informant interviews, and the prolonged shadowing of key research participants enabled me to focus on and pry open some of the circumstances under which entrepreneurs’ trust is lost and/or degenerates into mistrust, eliciting responses concerning both concrete experiences and personal dispositions. The overall constructivist approach with its emphasis on a joint interpretative endeavour proved particularly important in disentangling some of the more sensitive cultural factors underlying entrepreneurs’ mistrust.

“We blacks don’t trust each other”

Very early in my fieldwork I had been referred to Natalie, [not her real name] the only white interviewee in the study, a former advisor with SEDA who owns a Human Resources consultancy firm that has been retained as a service provider by GEP. Sharing her experiences with GEP clients, she candidly let out what at the time sounded like a disparaging, if somewhat bigoted, comment: “I see that there is a big element of distrust among my black clients. A white person tends to trust another white rather easily.” Soon, however, I was confronted with what I thought was a self-deprecatory avowal: “We blacks don’t trust each other” – this was the clarion statement that kept reverberating across the board in one-on-one in-depth and key informant interviews, focus group sessions and the myriad casual conversations I had throughout my fieldwork. This mistrust appeared to be directed at all types of social relations, including close ties such as family, friends, and fellow stokvel and club members, on the one hand, and weak ties with distant acquaintances and potential business partners, on the other. Then I found out that according to a recent international survey, trust in South Africa is very low, with only 17 percent of individuals believing that other people can be trusted.²⁵

Pule owns an IT business located in a township in Tshwane North, although many of his clients are medical practitioners based in Pretoria CBD. His entrepreneurial biographical identity is marked by the experience of his late father’s retail business, which collapsed because “everyone thought they could take money from the till since it was a family business.” He launched into a tirade against business partnerships:

²⁵ The Legatum Prosperity Index, 2009

“Black families are not like the Indians where you will find that the business was started by the father and there are two or three children working in the business; sometimes even the uncles are there, and [the business] is run properly. With us it’s not often that it happens like that. With us, agh, usually it’s conflict. You will find that one will work towards building the business while the other one will work only to have access to the money. From day one they are already starting to plan how to take the business away from you! From day one! And it doesn’t last. That’s why I will never go for partnerships. Black people, we are not good at business partnerships. We are not good at that” (Pule).

Kgomotso, the dress-maker from Hammanskraal whose story the reader is familiar with as typifying a social capital profile rich mostly in bonding ties only, eventually confided to me that the reason why she has been holding off her decision to hire is distrust associated with fear of jealousy and ‘evil eye.’ “If I hire someone, they’ll think I’m making money and will wish evil on me. That’s why I’m hiring only temporary help. If I trust you, you are going to kill me!” I retorted suggesting that it sounded like an eerie motto for a woman entrepreneur with such strong kin and communal ties. “I thought you are very close to your family and church. Why are you so mistrustful?” – I asked. “I trust my family, even though they don’t help me, but it’s different. I trust them because they are reliable. One day I will need them. But I don’t trust them with business. Business and family together doesn’t work; it’s too dangerous. You cannot trust family with business.”

Duma, who owns a tailor shop right next to Kgomotso’s, thinks likewise. He owns three machines and makes mostly trousers and jackets. According to him, the business is stagnant (“I can’t go up,” he acknowledges) because of lack of marketing support. He doesn’t employ any help but acknowledges the need to form a partnership to address the problem. The reason why he has not been able to find a business partner to help him with marketing, despite advice to do so by fellow [ZCC] church members, who offer business advice, is that he is too scared to take risks: “Our black people are not trustworthy. Someone can get my production to the market and run with my money.”

Now, the sociology of trust posits that in general trust in other people increases from a low outer threshold of trust to a high inner threshold of trust (Frederiksen, 2009). In other words, the bonding social capital found in close-knit ties is associated with higher levels of trust. In this regard, if the picture painted in our previous discussion of social capital profiles of small black entrepreneurs is anything to go by, then the kin and communal networks in which a large group of operators are embedded should be expected to generate trust and co-operation.

While the target of mistrust and distrust in the above vignettes varies in terms of social relations, ranging from close family members to unknown potential business associates and

even employees, the common denominator clearly is the dimension of the object of trust, i.e. what that trust concerns. To be sure, entrepreneurs do trust families and close relations but they speak of this area in a way that suggests that trust means something different from the other areas. This is precisely the idiom of thick trust that commentators like Barbalet (2008) dismiss as being trust in the first place, as it points to the long-term dependability of reciprocal relations in the domain of kinship. In a similar vein, economist Barbara Piazza-Georgi (2002) found in a human and social capital survey in Soweto that the level of trust was highest among communal groups (such as stokvels) and the extended family. Conversely categories such as “those who earn a living the same way as you” and “people in the same income category as you” ranked at the bottom (Piazza-Georgi, 2002:634).

Only in the rare cases where entrepreneurs received some form of start-up support from family sources did they speak about unambiguous trust in the family extending beyond the kinship sphere. This translated, for example, into sharing business decisions with family, as was the case with Gift, who owns a gardening services firm: “I usually tell my family before loaning or borrowing money. And they will advise me yes or no, because of such and such reasons.” Gift’s family in rural Mpumalanga contributed start-up monetary assistance for his gardening business. However, as in the vast majority of cases family reciprocity does not convert into goodwill towards business support, this triggers the I-don’t-trust-my-family narrative, which likely translates as “I trust them as family only, but not for business purposes.” The trust associated with these close relations is akin to a “permanent suspension of risk” rather than one based on some sort of interpretation (Frederiksen, 2011:12). Once business is involved, however, the suspension of risk falls out, which brings us to the dimension of the object of trust.

Indeed, trust is not only a question of whom you trust but also what that trust concerns. There seems to be different classes of social or symbolic objects that allow different levels of trust. One particular object that seems to suspend or reverse trust is money. In various focus groups discussions with key members of the TNBF the overarching subtext was that there appears to be a schism of sorts, a normative disjuncture between the world of kin and community networks, where uBuntu values of reciprocity, compassion and communalism still matter, and the world of business, where money and self-interest rule. Participants echoed Lesego’s view that “the value that’s been put on money among blacks is the cause of many problems. The moment we talk about money, there’s no trust. When we talk about money, both uBuntu and trust end. That’s why *batho ba rona ga ba dire sane* [our people can’t work together].”

Thus, even in relations with family and close friends money seems to produce an unacceptable level of risk (Frederiksen, 2011). In other words, mistrust creeps in when the object of trust is money, as epitomised by business, regardless of the closeness of ties. Trust is mutually suspended or reversed among family, friends, and fellow stokvel members. In order to manage or counter this risk, powerful social and symbolic boundaries are erected, blocking the transferability of trust across normatively disparate spheres. This likely explains why thick trust among family members, friends and stokvel associates turns into mistrust, which is magnified by the degree of entrepreneurs' embeddedness in family and communal networks, precluding the transfer of the social capital accumulated in the bonding sphere to the bridging realm. The example of stokvel societies provides an opportunity to examine the workings of the trust paradox.

Separate spheres or boundary-marking?

In his study of AICs and small businesses, Oosthuizen (1997) found that the latter appear to have been established by individuals that rely on communal networks of social and financial support. Community groupings such as stokvels and local AIC congregations, he claims, are therefore not only more frequently approached by prospective small business operatives, they are also more likely to be seen as “friendly and non-threatening” (Oosthuizen, 1997:38). Tangentially, for the sake of illustration I reference in the box below the only case I was made aware of concerning stokvel funding of entrepreneurial activity, which by the way occurred outside the geographic ambit of the present study.

I became acquainted with what appears to be the exceptional case of an entrepreneur who banked on a stokvel to propel his private business. Although located in the same administrative region (North East Region) but outside the study area, the stokvel was created in 2004 by the initiative of a young Mabopane entrepreneur. One day he convened a meeting of a handful of his neighbours and friends and proposed the creation of a stokvel. The club launched with 20 members, having eventually stabilised with a diverse (in terms of age and ethnic background) membership of 50. They met (and still do to this very day) in the garage of the young man, each member contributing R50 weekly.

At the time of the establishment of the stokvel in 2004, the young entrepreneur had a run-down bakkie with which he distributed and sold liquor (mostly crates of beer) in the township. As the bakkie would break down frequently, in 2005 he approached the stokvel requesting a loan to the tune of R3000 to have the engine repaired. The stokvel members approved the loan without interest. The bakkie was fixed. The young entrepreneur was doing so well that eventually he ventured into the taxi industry. Today he has a fleet of 3 minibus taxis and a small bakery. Clearly his successful business expansion was credited to his ability to skilfully tap into the club's funds on advantageous interest-free terms.

However, as more and more stokvel members wanted to emulate his success by requesting loans towards different ends (business and otherwise), the club decided to introduce a *mashonisa* (loan-shark) policy. This, of course, discouraged similar moves from potential entrepreneurs.

Otherwise, in the context of my sample of Pretoria and Hammanskraal entrepreneurs there was no evidence that such co-operation existed. Not a single operator received any form of support from the stokvels of which they are members. On the contrary, a degree of uneasiness appeared to characterise the relationship between stokvels and entrepreneurs, with membership of these groups being often seen as detracting from entrepreneurship in ways that shall be discussed shortly. This finding was further corroborated by Marks Lesese, one of my key informants and a senior business advisor with the Pretoria office of GEP. During a debriefing session, he wondered why South African entrepreneurs did not make use of the financial muscle of stokvels.

Why do you think the start-ups are not using the spirit of collectivism to their advantage in order to grow their businesses? These start-ups are part of the community. The community has got a certain financial muscle in the form of your stokvels, your savings clubs, and your societies, which obviously are generating a lot of income in terms of members' collections at the end of every month. So, if these start-ups can use their link with the community and say, 'look, I'm involved in this type of business; I'll need your financial muscle in order to support me to go forward. In return for your investment, I'll be able to contribute one, two, three to the welfare of the community.' Our mandate as GEP is to create jobs. If this guy can tap into the extended family and be able to create jobs for his extended family and the community at large, that would be a winner. But how do you get these guys [the community] to buy into what this guy [the start-up] is doing? (Marks Lesese, GEP).

This gets us to the nub of the trust problem. Initially respondents articulated the phenomenon in a language that suggested separate spheres or realms of social relations.

Many entrepreneurs in the focus groups considered stokvels to be part and parcel of culturally-sanctioned social entertainment. There always must be alcohol at the meetings, which are treated mostly as social gatherings. Society business will take only about 10 or 15 minutes. The rest of the day will be spent drinking, playing and gossiping. "In the stokvel, I can go there and buy a beer the whole day, relaxing and enjoying with the people. In the business, I cannot do that," Duma says. Thus, you cannot trust folks you play and drink with when it comes to 'serious work' in the business world. "When we cross into the business world, we become more serious and attach more value to money. So, we cannot partner for business with fellow [stokvel members] because these people are playful," Lesego explains. Tsholofelo has a metaphor to differentiate the two 'worlds:' "This one [the stokvel world] is a gravel road, full of potholes, whereas the business world is a tarred road, which you have to clean and maintain."

The "separate worlds" imagery is further reinforced by references to the erosion of traditional sanctioning mechanisms versus modern adjudication systems. "You see, there is also corruption and fraud in the stokvel. In my society, the person in charge of the funds didn't

bank R3000 he was entrusted with,” Tsholofelo recounts. But somehow the club was seen as a “socio-ludic” space where rules are bent and broken (without consequences?), whereas “you may face the magistrate if you break the rules of the business world too often.” Another participant clarifies: “Although we have our own cultural rules and regulations, if somebody wants to break these, they can get away with it, because there’s favouritism and small groups within the society that can protect prevaricators and cheaters.” By the same token, as noted before, some entrepreneurs, particularly those with more education, also take exception to the continued influence of ascriptive criteria in the selection of members for particular roles within stokvels. “Some of these criteria are driven by age. The elders have got more power, even if they don’t have information or knowledge. When an elder speaks, they are listened to even if they are wrong,” Lesego complains.

In a similar vein, the 60-year old owner of a well-known auto services franchise in Hammanskraal related his struggle trying to convince fellow members in the 20-strong savings club to take their traditional savings to the next level by, for example, investing in corporate shares. Siphso, whose social capital profile I have alluded to earlier as incorporating both bonding and bridging ties, is not quite happy with the club’s traditional remit whereby the average person saves about R6000 by year-end, depending on their contribution. “Yes, it’s money. We just get our money back without the interest. The interest remains in the club. Yes, it disciplines you. But it just helps you get by.” He explains:

“Rather than saving just for year-end social activities or consumption or emergency needs, I’ve been pushing for the capitalisation of our collective savings through investment in corporate shares. For example, when the Sasol shares came along, I told them that we could take the money and buy Sasol shares. Most of them were grumbling. (...) Saving is important, but even ordinary stokvels can be put to good use to buy shares. But of course we black people will never come together.” (Siphso)

From this brief sample, it appears as if by deploying metaphorical dichotomies such as the world of money versus the world of social entertainment, gravel roads versus tarred roads, ascription versus achievement, traditional sanctioning mechanisms versus the magistrate, entrepreneurs put up or are confronted by symbolic boundaries suggesting that the relations of trust, communal identities, loyalties and solidarities generated within stokvels are not transferable to the business domain. A legitimate argument can be made that even the resistance Siphso faces in trying to ratchet up the club’s traditional savings approach may be connected to the same issue of symbolic boundaries between the communal domain of the stokvel and the capitalist market epitomised by corporate shares. So, all the stock of thick trust and goodwill that may exist within families and communities, i.e. in the collectivistic

sphere of bonding social capital, cannot be converted into thin trust for co-operation towards business purposes. Vibha Pingle (2001) found a similar pattern in the previously cited study of the associational configurations of rural and urban women entrepreneurs vis-à-vis their male counterparts in South Africa, with the cleavage line being drawn between “social associations” and “trade associations” across which, under certain circumstances, trust does not transfer.

As mentioned before, Pingle (2001) applied the interpretative framework of “identity landscapes,” which is a person’s map of the world; their interpretation of their history and culture; a map which allows them to choose a certain set of social actions over others. By reflecting the impact of cultural, institutional, and historical contexts on a person’s associational life, their identity landscape influences the types of group they join, and the extent and transferability of trust within these groups. To repeat, the identity landscapes of urban women lead them to join social associations. However, the relations of trust that develop within these groups tend not to be transferable to other domains. Thus urban women are unable to draw on their social networks to enhance their entrepreneurial activities. While their social support system does appear to help urban women to start a small business fairly easily, it is of little use in helping it succeed. Furthermore, their identity landscape steers them away from joining formal trade associations, leaving most urban women with few networks useful for their business’ success.

Rural women offer a useful counter-case. Surprisingly, “traditional” associations in the rural areas that could be said to be dominated by bonding forms of social capital (e.g. burial societies, stokvels, and women’s clubs) do provide women entrepreneurs with advice and information. In total contrast with the present study’s urban and peri-urban sample, those rural associations frequently play a positive role in promoting small business, as do trade associations. Pingle’s (2001) findings indicate that those rural associations provide women with a forum for discussing their business concerns, and learning business ideas and techniques. In fact, a number of rural social associations have transformed themselves into trade associations. This contrasts with the urban associations, in agreement with our own findings, which were significantly less effective at generating relations of trust that their members may draw on to enhance their entrepreneurial prospects. Therefore, the relations of trust generated within the social associations of rural women entrepreneurs are transferable to other domains, and they are able to draw on these relations to support their entrepreneurial activities.

These findings are consistent with empirical literature from a rural setting in East Africa, where strong community ties based on mutual trust and reciprocity were found to provide a vital resource in the establishment of entrepreneurial businesses (Khavul et al, 2009). In fact, strong community ties were the preferred strategy, used especially by women entrepreneurs in rural Kenya and Uganda, to counterbalance the constraining effect of strong family (Khavul et al, 2009:1234). This seems to indicate that the problem of non-transferability of trust between social and business domains may not obtain in rural settings, a suggestion that requires empirical enquiry.

On the other hand, the identity landscape of rural men tends to be similar to that of rural women. It too leads them towards relations of trust that can benefit their business dealings. While their trustworthy social relations are not quite as strong as those of rural women (this is partly a consequence of the presence of the 'exit option' available to them – one rarely available to women), the transferability of these relations of trust to other domains is helpful for their business prospects. According to Pingle (2001), urban men are successful at businesses because their identity landscape leads them to join formal trade associations. The contacts developed in those associations play a crucial role in helping their businesses to succeed. Moreover, while the relations of trust present in the loosely defined communities of most urban men help the men to establish their businesses, it is their participation in formal trade associations (bridging and linking social capital) that appears to be important for the continued success of their businesses.

In the context of the present study, however, as important as gender is in shaping an entrepreneur's social capital profile, the phenomenon of non-transferability of trust between social associations and trade associations appears to be driven by normatively disparate social fields separated by symbolic boundaries. Entrepreneurs and stokvels deploy "boundary work" to establish symbolic and social distinctions between the "bonding sphere" of kinship and the market sphere of business. As the informant quoted in the epigraph of this section put it, "We treat our businesses as work or employment – something that you go to when you leave your home or the community. You leave your family, your community values at the gate, and go into the 'modern world' of the business." This suggests that the rules of trust that apply and are culturally enforceable in the realm of communal and kinship groups do not jump the boundary and apply in the realm of business.

Along similar lines, a recent study of the emergence of social entrepreneurship among for-profit and non-profit organisations in ten developing countries in Africa and Latin America detected a conceptually comparable phenomenon at an organisational level. Kistruck and Beamish (2010) found that “the social capital that had accrued throughout the years of goodwill activities appeared to be devoid of value when attempts were made to expend it in a transactional manner” (Kistruck and Beamish, 2010:743). When the non-profit organisations attempted to change the nature of the relationship from unidirectional and donative to bidirectional and transactional, the response of the local individuals denoted a sort of “network amnesia” in which prior interactions or goodwill efforts on the part of the non-profit organisations were quickly forgotten in the new transactional arrangement (Kistruck and Beamish, 2010:743). The conjecture is that the source of such scepticism, or distrust, appeared to be that members of the non-profit sector within developing countries were not necessarily seen as altruistic or driven by intrinsic rather than extrinsic value Kistruck and Beamish (2010). Essentially though, this seems to be a case of non-transferability of trust as a critical dimension of social capital from one social sphere to the other. The charitable domain of the non-profits, by virtue of its non-commercial nature, was likely construed as akin to family and communal relationships, where money matters are off-limit. Thus, attempts by the non-profits to leverage the social capital from one domain into transactional relationships of another domain of financial dealings suffer the same fate as the small black entrepreneurs: non-transferability of trust across distinct domains characterised by disparate cultural norms, logics and expectations.

In her study of post-apartheid Cape Town, American anthropologist Catherine Besteman chronicles the efforts of a few bold agents of transformation who seek to create new social spaces to cross old barriers. Referring to community-level transformative partnerships to overcome post-apartheid racial, social and material inequities, she notes that agents of transformation encounter the biggest challenges whenever they have to work across disparate orders: once the boundaries between traditional and modern worldviews are crossed, “hopeful business partners find that they must renegotiate their mutual terms of engagement and understandings of trust and reciprocity” (Besteman, 2008:23). In other words, trust among members of such kinship and communally based associations as family societies and stokvels dominated by the bonding type of social capital does not seem to be transferable to the realm of “modern” business enterprises. Thick trust, which is founded on cultural norms and beliefs of reciprocity, turns into mistrust in the sphere of business activity.

Of course, the foregoing discussion might be evocative of the conventional Polanyian account of the interplay between market transactions and personal relations, as articulated through entrepreneurs' own understandings and metaphors as well as the conceptual frames adopted by scholars. Polanyi identifies three types of exchange relations: reciprocity, redistribution and market exchange. The logic of reciprocity is built upon the collective interests of small groups with strong and close ties – defined as community relationships in sociological terms. In this form of exchange, rules favouring the reproduction of the social group prevail over the immediate self-interest of the individual. Reciprocity and redistribution are viewed as embedded, while the market is disembedded. According to Polanyi the three different logics of exchange – present always in different combinations – provide society with needed institutions, and therefore with the various configurations of embeddedness. The disembeddedness resulting from increasing individualism constitutes the driving force in ongoing transformations affecting all social institutions, those founded on reciprocity (i.e. household, kinship, community), those based on redistributive principles (such as the expansion of welfare programmes), and those which make the “markets of fictitious commodities more compatible with society such as the legal and contractual organization of firms, labour markets, land and housing transactions, financial and monetary control” (Ghezzi and Mingione, 2007:17).

In essence, then, Polanyi's central thesis concerning the inversion of means and ends, of markets and society provides the intellectual framework that supports an old, influential tradition asserting the existence of “separate spheres and hostile worlds.” In this account, as shown in the above narratives, a sharp divide exists between social relations and economic transactions. On one side, we discover a sphere of sentiment and solidarity; on the other, a sphere of calculation and efficiency, as epitomised by the tensions between stokvels and entrepreneurs. The two spheres remain hostile to each other, with contact between them producing moral contamination, so to speak. Thus emerges a view of the separate spheres as dangerously hostile worlds, properly segregated domains whose sanitary management requires well-maintained boundaries. Parties to personal social relations often speak the language of hostile worlds and separate spheres, insisting that the introduction of economic calculations into intimate relations would corrupt them (Zelizer, 2005b). As Lesego eloquently put it, “When we meet as family or club members over a cup of tea or a drink, money and business are secondary issues. The main agenda is family cohesion and

togetherness. If you use that platform to raise the issue of money for private business, there's a problem.”

Yet, entrepreneurs like Lesego and others who are deeply embedded in extended family networks routinely use business funds to cater for kin solidarity needs even to the detriment of the firm, thereby intermingling money and family relations. This seeming paradox prompted me to coin a metaphor at one point of my field research – “cultural semiconductors” in the sense that they act as conductors of cultural values which flow across disparate orders in only one direction, at the same time as in a different social context they act as insulators of a different set of values. On the one hand, they seem to allow normative expectations of solidarity to flow only from the family and community world to the business world. On the other hand, they can make a switch and prevent cultural values from flowing from the community world to the business world, (e.g., trust and co-operation that exist in the former do not transfer to the business world). Contemporary economic sociology de-emphasises ‘separate spheres, hostile worlds’ conceptualisations, foregrounding the notion of ‘connected lives.’ In my search for a conceptual and theoretical formulation to accommodate this intriguing finding, I was introduced to the relational work of sociologist Viviana Zelizer (2005b), who developed a compelling argument suggesting that blending close kinship ties and economic activity is part of people’s active engagement in constructing and negotiating ‘connected lives.’

Connected lives

In her provocative book *The Purchase of Intimacy*, Zelizer (2005b) offers a path-breaking exposure of the intertwining of economic transactions and intimate relations, debunking the common belief that economic rationality and intimate ties contradict each other. “Extreme” as the case of intimate relations may be, it does offer important insights into the perceptions and practices of small black entrepreneurs concerning the incompatibility of economic calculations with interpersonal solidarity, especially family and communal ties. Stated succinctly, the “connected lives” perspective posits that for each meaningfully distinct category of social relations, people create connected lives “by differentiating their multiple social ties from each other, marking boundaries between those different ties by means of everyday practices, sustaining those ties through joint activities (including economic activities), but constantly negotiating the exact content of important social ties” (Zelizer, 2005b:32). It criticises the failure of “separate spheres” to recognise how regularly intimate

social transactions coexist with monetary transactions: friends and relatives send gifts of money as wedding presents, and friends loan each other money. Meanwhile, immigrants support their families back home with regular transmission of remittances.

By challenging the widespread Polanyian assumption that markets inevitably undercut solidarity-sustaining personal relations, Zelizer's relational perspective helps us to examine when, where, how, why, and with what effects entrepreneurs and their close-knit alter egos, especially family and stokvel associates invoke the ideas and practices that segregate ostensibly 'hostile worlds' from each other. Erecting a boundary, marking the boundary by means of metaphors and practices, establishing a set of distinctive understandings and practices that operate within that boundary, designating certain sorts of economic transactions as appropriate for the relation, and barring other transactions as inappropriate – all these efforts belong to relational work. By shifting the emphasis to recognition of differentiated social ties, each involving distinctive forms of economic transaction, the connected lives conception shatters the dichotomies between personal and impersonal relations, bonding and bridging spheres and enables us to map the blending of interpersonal relations and economic activity that occurs among a large group of entrepreneurs. It also promotes superior explanations of separate spheres ideas and practices as emerging from "boundary work," that is the effort to mark and defend boundaries between categories of relations that contain some common elements, which could be confused, and would threaten existing relations of trust if confused (Zelizer, 2005b:44-46).

Having said this, examined carefully, the hostile-worlds arguments cannot simply be dismissed as fantasies. Study participants consistently echoed the assertion that "the moment we talk about money, there's no trust; when we talk about money, both uBuntu and trust end." In their strong articulation of separate spheres, entrepreneurs and fellow stokvel members are surely doing some kind of significant work. For all the insights about the deployment of boundary work, two questions remain unexplained. We still need to cotton on to the likes of Lesego, who in the context of the present study experience the connectedness of interpersonal relations and business activity in a unidirectional fashion. That is, expectation of monetary flows occurs largely from the business owner to their kin and communal relations. On the other hand, and more crucially, whether the narratives are framed in terms of separate spheres of hostile worlds or boundaries of connected lives, they all point to the same empirical phenomenon: trust among networks of kith and kin, including communal trust among stokvel members cannot be drawn upon for support of the business

interests of individual entrepreneurs. To sum up, why is it that the comingling of interpersonal relationships and the economic activity of small black entrepreneurs denotes such a unidirectional character? Why it is that trust is suspended or becomes mistrust across disparate social boundaries?

The recognition of differentiated social ties around which boundaries are erected and marked by means of metaphors and practices, calls for an examination of the actual content of transactions among entrepreneurs and their networks, by locating cultural content within those very transactions instead of treating culture as an external constraint (Zelizer, 2005a; 2005b; Lamont, 2002; Pachucki et al, 2007). In other words, we need to make “sense of dissonance” in order to understand the reasons entrepreneurs offer to explain why things should be done this way instead of that (Stark, 2009). My approach to these issues was to adopt a version of relational sociology, which in the meantime I had “discovered” at this stage of my fieldwork and analysis, emphasising the production of meaning, actors’ interpretations and relational dynamics (Fuhse, 2008; Muetzel, 2009; Mische, 2011). Thus, open to all ontological claims that were made by study participants and informants, and equipped with an epistemology that privileged constructivism, i.e. the joint construction of meaning in the interview situation I decided to follow relational sociology wherever it would lead. The task then is now to shift our attention to the cultural meanings entrepreneurs ascribe to the material reality in their struggles and controversies (Muetzel, 2009). The relational journey led to one overarching reason as a likely “explanation” for the non-transferability of trust across normatively dissonant domains – deep-seated cultural norms of egalitarianism and related witchcraft beliefs.

Cultural meanings: egalitarianism

In one-on-one re-interviews and multiple follow-up conversations, in focus group sessions as well as in interviews with key community informants, and frequently just hanging out with gatekeepers, I sought to probe the cultural underpinnings of the ‘trust paradox’ phenomenon, whether it obtained within close-knit families or in the context of stokvel societies. I endeavoured to take an emic perspective, focusing on the intrinsic cultural distinctions that emerged as meaningful to the study participants themselves, while at the same time mindful of the absolute necessity of a sustained critical awareness. Sometimes couched in strong generic terms like ‘envy’ or ‘jealousy,’ other times in suave authoritative language like “we come from a culture of equality,” the common thread running through respondents’

explanations speaks to the levelling pressures that undergird the non-transferability of trust from the kin and communal domain to the business domain of black entrepreneurs.

Lesego, my dependable gatekeeper from Hammanskraal, the author of one of this study's most recognisable quotes ["we black entrepreneurs live together but work separately"], kept on impressing upon me that "once you are in business, family members will withhold their goodwill and trust. They tend to be suppressive because they believe you must be kept at the same level." Even Gift, one of the very few cases who reported that he trusted his [rural-based] family who had provided start-up support and that, indeed, as quoted before, "my family blessings are more important than my social contacts and networks," in later interactions conceded that "they don't like to see you grow and be successful. They want everyone to be at the same level."

In a focus group session devoted to this theme with young, educated, up-and-coming start-ups based in Pretoria, Kekana [not her real name] sounded a discordant note. The financial management graduate from UNISA, with a number of registered companies to her name, acknowledged: "I must be an exception. My mother is a teacher, and she has always encouraged me to pursue my entrepreneurial dream. She has supported me financially and morally in my business ventures." To be sure, the "exception" applied to the urbanites in the group, who acknowledged that "We have been so brainwashed by colonialism and apartheid, the only thing black we have is the colour of our skin. Perhaps in the process of giving up our old cultural values and trying to adopt modern ways, we end up struggling" (Kgosiento).

Others argued that Lesego's quote, the topic of the debate, demonstrated the disconnect that characterises most Africans. According to Albano [not his real name], a University of Pretoria communications graduate and the owner of a documentary film-making company, "the problem arises when we try to mix together Western and African models. Either you do it the cultural way or use the Western model of doing business. Why are we failing? We want to live the African cultural way and run the business with the Western model." Adonis [not her real name] echoed the self-deprecating discourse of my township respondents: "Black families, black people make sure that they will do anything to block you." A 'township girl' who started her own black cosmetic products company and now lives in and operates from Pretoria, Adonis contended that "We come from a culture of equality. That means even if one is poor, one must share. Now, if the family or the group has 10 and you have 20, this is where the problems start! We don't want somebody in our midst to have a lot."

It was equally important to cross-check these perceptions with views from family members of select entrepreneurs. I had met and befriended Koko [not her real name] at a community event in Hammanskraal, and enlisted her thoughts on Lesego's quote:

Julio: "Black families live together but work separately. White families work together and live separately." Do you agree?

"Yes, I agree. We blacks have this thing of jealousy at home. For example, we don't want to make Bontle [her granddaughter who owns a day-care centre] richer than me. Yes, we live together but I cannot help Bontle with her business because she will be a millionaire. They don't want you to be on top" (Koko). Another elderly interviewee corroborated: "The family won't support you or your business because they would see you going up while they are staying down. They don't want you to grow and be on top of them, even though they expect you to help them."

By the same token, entrepreneurs' relationship with their stokvel societies appeared to be fraught with mistrust. As was mentioned earlier, none had received any form of co-operation or assistance from these communal groups, which were often seen as having an inimical attitude towards entrepreneurs. With a view to probing the reasons behind this uneasiness and, more to the point, why start-ups did not leverage the financial muscle of stokvels to their advantage as Gauteng Enterprise Propeller's Marks Lesese had wondered, a focus group session was held with select members of TNBF in Hammanskraal. In general, a clash of values seems to play out between the collectivistic orientation of stokvels and the individualistic logic of business enterprises.

Tsholofelo was previously quoted as using the metaphor of gravel roads full of potholes versus tarred roads to symbolically characterise the boundaries between stokvels and businesses. He explains the reason why entrepreneurs cannot leverage the resources of stokvels for business purposes as follows: "They'll tell you straight upfront *o ka huma ka rena* – literally, 'you want to become rich through our efforts (at our expense). If you want to get rich, go to Sandton'" (a reference to Johannesburg's posh Northern suburbs). Like many members who are progressing in life, he decided to withdraw "because they gossip and personalise issues, targeting those members who are perceived as successful." Other entrepreneurs, however, like Lesego, valued their continued membership of stokvels despite this uneasiness, "as you may need them one day." On the other hand, most Pentecostal

entrepreneurs are not members of any stokvel. “There’s too much gossiping targeting those who want to move forward,” as Lebogang had put it. “They undermine people until you feel small. They drag you down. There’s no way they can support you in any initiative to change your life. They’ll say you have pride and want to be higher than us. There’s no way you can raise money there for your private business.” Thabang, another Pentecostal entrepreneur conceded that “the reason I quit is they don’t discuss issues of interest to me. They are sites of gossip and negative lifestyle. They boast about their mistresses and girlfriends and they engage in heavy drinking.”

From intellectualised comments to accounts of the daily petty battles they have to fight, participants unanimously substantiated the claim that trust within stokvels does not transfer to the business world owing to the levelling pressures of egalitarian norms. “We blacks do not want our brothers or close friends to get ahead” – participants echoed in chorus. “Nobody in a society will lend you money for your business,” Kabelo, the owner of a nearby bookshop said, recounting how he and his wife (a government official) had to borrow money from a loan shark. “They are afraid that if you have more money, then they won’t be able to speak their mind in society meetings, because they will feel intimidated by your money or position. We must all stay at the same level.” Some of the accounts bordered on outright small-mindedness but do speak to informal social control mechanisms that are deployed against “deviant” members. For example, in the words of a participant, “if someone is wearing a good pair of shoes from Jet, they will joke that another person wearing Pep shoes (reference to a discount store) ‘mustn’t step on their shoes, because they are more expensive.’ We undermine each other.”

I will hazard some thoughts about the connotations of egalitarianism underlying these accounts. Monnig (1967) has shown that among the Pedi,²⁶ as indeed most traditional African societies, wealth was fairly distributed. In fact, wealth was not desired for its own sake. Although it did enhance prestige, it did not alter the status of the individual, and the person who was unduly successful in their economic enterprise ran the danger of being accused of witchcraft. For this reason, the prevalence of egalitarian norms in traditional societies might lead to a negative association between status and economic success (Platteau, 2000). Much of the surplus which was accumulated during good years was channelled in various ways to the chief, and he was usually the only really wealthy person in the tribe. In bad years, however,

²⁶ The majority of the people in the Tshwane North region, including my study participants are of Tswana-Northern Sotho (Pedi) heritage.

the tribe had a claim on his wealth, which he had to dispense freely. In this manner, the work of the individual was directed not only to his own economic satisfaction, but to the well-being of the community (Monnig, 1967:144).

Clearly the egalitarian ethos must be a cultural legacy of the traditional collectivist society²⁷. Historical evidence has shown how individualist and collectivist cultural beliefs lead to distinct trajectories of development (Greif, 1994; 2006). Constrained by the same technology and environment and facing the same organisational problems, the Maghribis and the Genoese had divergent cultural heritages and political and social histories that gave rise to different cultural beliefs. These not only affected social patterns of economic interactions but also led to different dynamics of wealth distribution. Collectivist cultural beliefs constituted part of the Maghribis' collective enforcement mechanism and induced investment in information, segregation, horizontal economic interactions, and a stable pattern of wealth distribution. The endogenous partition of society restricted economic and social interactions to a small group and further facilitated in-group communication and economic and social collective punishments. By contrast, individualist cultural beliefs constituted a part of the "second-party enforcement" mechanism of the Genoese and induced a low level of communication, a vertical social structure, and economic and social integration. These manifestations of individualist cultural beliefs weakened the dependence of each individual on any specific group, thereby weakening each group's ability to use economic, social, and moral sanctions against individual members (Greif, 1994:942).

It is intriguing that Western countries share a history of successful corporations that undermined large kinship groups and fostered the beliefs and norms that justify individualism, and trust among non-kin (Greif, 2006:310-311). Many African countries, however, share another heritage, one implied by institutions based on large kinship groups.²⁸ Notwithstanding the historical changes that have been wrought through exposure to Western

²⁷ An extensive sociological and anthropological literature shows why egalitarian norms should be prevalent in traditional societies. In particular, egalitarian norms are closely associated with a worldview in which the fate of humans depends on supernatural forces and economic prosperity is a zero-sum game. So, economic success is attributable not to effort but to luck and good luck for one person implies bad luck for someone else. According to this view, it is unfair for a successful individual to keep the fruits of that success to himself and accumulation, especially, will arouse feelings of envy and even hatred as it will be perceived as enriching oneself at the expense of others. Further, individuals (or households) who are continuously successful over several years, will attract suspicion as persistent 'luck' is not normal and may be attributable to the malicious manipulation of supernatural forces, i.e., to the use of witchcraft. Thus, more prosperous households are likely to be subjected to status reduction (see Platteau, 1996; 2000: Chapter 5).

²⁸ Renowned African scholar Ali Mazrui (1986) famously coined the phrase 'triple heritage' to refer to the three main cultural influences on Africa: traditional African culture, Islamic culture, and Western culture.

values and contact with the highly industrialized exchange economy of the colonialists, large swathes of South Africa's multicultural society are still influenced by the egalitarian norms of collectivist societies. In fact, theories of cross-cultural differences in the conception of the self and in entrepreneurship, derived from individualism-collectivism research in Eastern and Western nations (Hofstede, 2001) have been found useful and empirically applicable in the South African context, with African blacks generally conforming to a collectivist orientation (Eaton and Louw, 2000; Urban, 2006).

The persistence of an egalitarian ethos brings to the fore the normative chasm between a collectivist orientation within the kin and communal domain and the individualism of the market. Thus, it is perhaps not a coincidence that those entrepreneurs deeply embedded in extended family ties, for whom uBuntu still matters and the primacy of kinship over business was unequivocally stated, seem to find themselves at the coalface of the trust paradox as they struggle to reconcile their collectivist worldview with the individualistic exigencies of the business enterprise. In the circumstances, the suspension of trust and goodwill from kin and communal groups towards the individual entrepreneur is likely an expression of the group's ability to use economic, social, and moral sanctions against "deviants." Furthermore, this punishment is reinforced by informal enforcement mechanisms that emerge as a result of frequent economic interactions within a small segregated group (Monnig, 1967; Greif, 1994).

Cultural meanings: witchcraft fears

Predictably, mistrust also extends beyond family and communal ties into close friendships, which are part of the sociological complex of primary relations. In this regard, I could not wrap my head around the notion that Thuso and Lesego, very close friends and business neighbours who share the same demographic, socio-economic and cultural background, would not trust each other to co-operate in the same line of business. As with Lesego, I have had numerous casual conversations with Thuso who owns an IT business since 2004 located just across from Lesego's establishment. Besides offering computer courses and IT services, both sell computer supplies to nearby businesses, schools, and hospitals. In addition, the two happen to be members of the same stokvel society. With such strong in-group solidarity and thick trust, and sharing the same cultural identity, I often wondered why the two highly educated friends would not consider mobilising their trust in order to co-operate on the business front. For instance, why wouldn't they come together to launch joint initiatives to purchase computer equipment and consumables, potentially generating economies of scale

and pricing power, or eventually consider joint biddings for local supply contracts. Both would invariably shrug off the question. On this one occasion, though, Lesego offered the following answer:

No matter how educated I may be the baggage of my history and culture still influences my perception of the social world. In the past there was a limit to what one could accumulate in terms of wealth. Today there's no limit, and everyone is competing for money in order to get respect and status in the community. So, working together in business ventures complicates our issues. There's no way I can allow the other to be my boss (Lesego).

Eventually, on a different occasion I returned to the topic, curious to explore what part of the 'culture' Lesego was referring to as fomenting mistrust. "You must know that our culture is collective but only in the way we live our lives at home. The moment we cross that boundary, especially when it comes to issues of money, we need to do it separately. We have tried to do it together many times before, but it doesn't work." Why not? It appears that an undercurrent of religious beliefs also comes into the picture. "There was a steep transition from our African religion to Christianity," Lesego notes, in his trademark magisterial tone. "At home, with the family we follow our African tradition, but in the world of work we follow Christianity." He becomes reluctant to elaborate, but upon further probing I realise that the "dark side of social capital" just got darker, as the narrative of mistrust becomes muddled with more sinister undertones. Lesego, a member of a mainline Protestant church, goes on to admit that there is an element of belief in magic rituals and sorcery associated with money, which on the surface appears couched in terms of mistrust. In fact, "50 percent of the time we claim mistrust," he says, "we are actually referring to fear of sorcery and witchcraft."

At this stage, in subsequent fieldwork interactions with entrepreneurs and key informants I redirected some of my attention to the link between fear of witchcraft and mistrust, and was flabbergasted by the purchase that the fear of curses and witchcraft beliefs still have on life among so many black entrepreneurs. These explanations were particularly salient among township respondents, impinging specifically on their ability to foster ties of trust with strangers and close associates alike. I note in passing the significance of the "fear factor" for mistrust, but will return to and expand on the topic in my discussion of religion in the next chapter.

Settler legacy: exacerbating the cultural drivers?

While study participants' own accounts and 'sense-making' prompted me to frame the issue of egalitarian norms of African collectivist culture and related witchcraft beliefs as potential

cultural roadblocks to generalised trust and co-operation among small black entrepreneurs, a serendipitous encounter in the field made me wonder whether South Africa's unique colonial legacy might exacerbate the cultural explanations. We have suggested that the trust paradox appears to be a symptom of the normative cleavage that exists between the collectivist logic of kin and communal relationships and the bridging realm of business relationships. Drawing, as an afterthought, on anecdotal insights into trust and co-operation patterns of immigrant African entrepreneurs in South Africa, I will speculate that historical disparities in settler post-colonies may magnify the cultural disconnect that underpins such widespread mistrust among black entrepreneurs, at least in the context of urban and peri-urban areas.

In general, the literature shows that unequal societies have lower levels of generalised trust, with both individual experiences and community characteristics influencing how much people trust each other. For example, trust at the community level in the United States of America has been shown to be negatively correlated with income disparities (Alesina and La Ferrara, 2002). Using data drawn from USA localities, Alesina and La Ferrara (2002) found that the strongest factors associated with low trust included a recent history of traumatic experiences; belonging to a group that historically felt discriminated against; and living in a racially mixed community and/or in one with a high degree of income disparity. In South Africa, economists using game experiments found that trust, mistrust, discrimination, and cooperative attitudes cross racial and income lines in non-trivial ways (Haile et al, 2004). In particular, mistrusting behaviour was associated with income disparities. Despite the fact that the South African society is highly heterogeneous, researchers found in one experiment that the general level of trust and trustworthiness is similar to homogenous societies when pair characteristics were not revealed to a subject. However, this was not the case when subjects were supplemented with information about their match characteristics. It was found that subjects from different racial groups trust each other less but only if there is a difference in the position of their income (Haile et al, 2004).

The empirical literature also shows that trust levels and co-operation are higher in communities and societies with high levels of reciprocity, indicating that perhaps the trust paradox may not obtain in contexts where the normative disconnect is less pronounced. For example, trust game researchers found that in Kwazulu-Natal communities trust was strongest where reciprocity norms are most active (Carter and Castillo, 2002). Unlike the groups that the participants in the present study belonged to, across Africa stokvels are generally known to support small business. For example, in rural Cameroun, entrepreneurs

who cannot access formal credit sources resort to saving and borrowing from informal community sources commonly known there as *njangis* (Fonjong, 2004). Based on trust, organised and run by members who know each other very well, either as relatives, friends or people from the same tribe or village, *Njangis* are very important sources for raising business capital (Fonjong, 2004). Similarly, in Ethiopia, the *iqqub* – the equivalent of stokvels – is a commonly used source of start-up and growth finance for new businesses, with the majority of urban SMMEs relying on *iqqub* schemes in one way or another. In fact, beyond finance, *iqqub* associations also provide non-financial support to members, facilitating the sharing of knowledge and skills (Worku, 2008).

By the same token, a recent study commissioned to investigate the causes of tensions between local and foreign spaza shop traders has shown that the commercial success of Somali entrepreneurs in Khayelitsha, Cape Town is to a large extent attributable to the co-operative arrangements underwritten by their social networks. These were found to give immigrant traders the edge in terms of start-up capital while, on the other hand, enabling them to generate economies of scale and efficiency that outcompete local spaza shop owners, who eschew co-operation on ‘cultural’ grounds (Knowledge Links, 2009). The significantly distinct business practices of local and Somali entrepreneurs are primarily underpinned by cultural differences, with foreign spaza shop owners denoting a more collectivistic orientation in business relationships, in contrast with local operators who were found to be more individualistic²⁹. In this connection, a large percentage of local spaza shop owners are sourcing finance through their personal savings, whereas foreign spaza shop owners are sourcing finance through kin networks. On the other hand, local spaza shop owners indicated that their limited product offering was compounded by lack of access to bulk discounts from wholesalers, which resulted in higher prices. Only nine percent of local spaza shop owners obtained bulk discounts from suppliers, compared with 100 percent of foreign spaza shop owners who obtain bulk discounts from suppliers. The distinct differences between the two groups of business owners have resulted in different buying methods where foreign spaza

²⁹ Entrepreneurship entails two activities, viz. generating variety through innovation and new ventures, and leveraging resources by establishing external ties. Even though international research conducted at the individual and firm levels lends support to the notion that entrepreneurs tend to be individualistic, studies at the national level suggest that both individualism and collectivism are positively associated with entrepreneurial outcomes (Urban, 2007). While individualism may be credited with fostering venture creation and start-ups, the resource leverage function requires some form of collectivist orientation that enables the formation of alliances, partnerships and relational ties. The key is to balance the need for individual initiative with the spirit of co-operation. For literature challenging the conventional views on individualism-collectivism and entrepreneurship, see for example Morris et al. (1994), Ball (2001), and Tiessen (1997).

shop owners do collective buying, thereby qualifying for bulk discounts which impact directly on pricing strategies (Knowledge Links, 2009:45).

Are black South African entrepreneurs alone in their normative “bipolarity,” which makes them collectivistic in the realm of kin and communal relationships and openly individualistic operators averse to co-operation in the business domain? Is mistrusting behaviour endemic and unique to local entrepreneurs? Naturally, a case can be made that Africans in general share a collectivistic heritage, and that the egalitarian norms and witchcraft beliefs which affect African entrepreneurs elsewhere should equally translate into a mistrust problem in the business sphere.

During the FIFA 2010 World Cup, this researcher opportunistically struck up a conversation and befriended a group of Kenyan traders who had set up shop temporarily in a major shopping mall in Pretoria, targeting tourists with their Masai sculptures, crafts and other wares. They were immigrants who had been plying their trade for the last four years out of Bruma Lake, Johannesburg’s well-known flea market and African curio centre. The fortuitous encounter provided an opportunity for a “bonus” flash enquiry into trust issues among African entrepreneurs, to which the traders gladly consented. Having over the following 5 weeks cultivated a close rapport with the traders, including attendance of social gatherings, it didn’t take much to secure their agreement to host a structured focus group discussion to specifically explore the patterns of trust and co-operation among immigrant African entrepreneurs. In addition, my Kenyan contacts roped in two fellow traders from Tanzania as well as two Ethiopian shopkeepers, all based in Johannesburg. This session took place in a coffee shop of the Pretoria mall, and it unfolded in a very casual and relaxed fashion. I chose not to tape-record the conversation, and kept my note-taking to a bare minimum.

First-hand accounts from the two Ethiopian entrepreneurs³⁰ indicate that Ethiopians are socially organised along the same lines as the Somali entrepreneurs of Cape Town, displaying a high degree of trust and co-operation in the business realm. They rely on kin, communal and social networks, some of them stretching all the way back to the *iqqub* in Ethiopia, to raise resources and succeed in business. These dynamic social networks give them access to entrepreneurial resources of different kinds, first and foremost ideas and information, but also capital and trust. Like the Somali spaza shop owners of Cape Town, they have implemented

³⁰ Ethiopian traders are known to be a dominant force in retail commerce in the CBD area of Johannesburg.

local distribution schemes, pooling together their financial resources to import goods in bulk containers from China. Naturally, this reduces the costs of transport and other logistics, thereby improving the efficiency and effectiveness of the operation. By the same token, the Tanzanian entrepreneurs indicated that their community in Johannesburg is very co-operative. Established members of the community will come together to welcome and assist a new arrival in starting up their business venture, by providing capital and advice.³¹

By contrast, Kenyan entrepreneurs in Gauteng seem to reproduce exactly the same behaviour as their South African counterparts, i.e. a relatively high level of thick trust and co-operation in the realm of family and communal relationships, but a huge deficit of social trust in the business sphere. As Mary Wambui (a female curio trader) put it,

“In family emergencies (e.g. sickness, death, distress) we club together quickly in a huge hall in Johannesburg, and contribute immediately towards funding a ticket to send someone home or repatriate a deceased member of the community. But when it comes to issues of business, no way! We won’t help each other. In fact, we undermine each other by giving the wrong business advice on purpose so that you won’t go anywhere. We don’t want another Kenyan to progress and get ahead of ourselves in business. We simply do not trust each other in matters of business.”

This account brought up echoes of Lesego’s narrative: “If I decided to start a burial society or stokvel, it’d take me less than 2 weeks to get at least 20 or 30 members. But to start a business forum or a joint business initiative with fellow entrepreneurs, it’s a non-starter.” According to my Kenya informants, this behavioural pattern is not restricted to South Africa-based immigrants, being equally prevalent in Kenya.

Four decades ago, early commentators of entrepreneurship in Africa had already observed a high degree of mistrust and aversion to co-operation among African businessmen in urban Kenya (Marris and Sommerset, 1971). Symptomatically, like South Africa, Kenya was settled by colonists, where a strong European presence penetrated more deeply than in most African states, leading to a far more thorough erosion of African values than in those parts of Africa where colonial interests were represented by a small number of administrators, missionaries and companies, most of whom returned ‘home’ (Wild, 1997; Marris and Sommerset, 1971). However, despite the loss of identity it has been argued that in matters of family and communal relationships and religion, cultural resistance to the adoption of European values was stronger (Wild, 1997:159). As a result, the entrepreneur was “doubly

³¹ This anecdote is partially inconsistent with the literature. While peri-urban entrepreneurs are primarily motivated by communal considerations, they display much less trust in each other (Hyden, 2001; Kristiansen, 2004).

isolated, within both his community and the wider society, withdrawing from the one to meet the demands of the other, and belonging to neither” (Marris and Sommerset, 1971:227).

If the above anecdotes are anything to go by, it would appear that they lend some support to the proposition that historical legacies in the settler post-colony may exacerbate the cultural drivers at the root of the trust paradox, probably by virtue of the wider normative disconnect between kin and communal relationships, and the realm of business. Of course, on the basis of anecdotal evidence one would be stretching the point to make such a blanket claim.

Nonetheless, the proposition seems to make sense conceptually and might warrant a comparative study. In any event, in the case of South Africa, where a Calvinistic doctrine pervaded and enjoyed pride of place under apartheid³², and where uBuntu values and norms of kinship still appear to hold sway among many black entrepreneurs, the normative dissonance is likely even greater, as illustrated by the words: “We treat our businesses as work or employment – something that you go to when you leave your home or the community. You, like, leave your family, your community values at the gate, and go into this ‘modern world’ of business.”

So, if an entrepreneur’s proneness to join particular types of associations and their ability to generate weak ties and generalised social trust has something to do with the cultural context, then this suggests that cultural meanings must be emphasised when dealing with social capital. In all of these distinctions, trust plays different roles and rests on different motivations and value bases. Yet these differences are not recognised by legal-economic theory where trust is basically a functional element facilitating transactions that would otherwise be more complicated and less efficient (Anheier and Kendall, 2002:348-349).

The cultural contingency of social capital and trust

Let us close the loop and draw the conclusions of our tour d’horizon. In the first section of the chapter we have noted that mainstream entrepreneurship literature tends to focus on bridging forms of social capital, emphasising entrepreneurs’ networks of weak ties. This is

³² Under the apartheid system of the Nationalist government, a Calvinistic form of Christianity was privileged in all social, economic and educational facets of South African society. The ruling party likewise embedded the advantaged status of Christianity in most areas of the Constitution. It was, however, in the field of education, particularly through implementation of, and support given to, the policy of Christian National Education that Calvinistic Christianity exerted a powerful influence over the values, attitudes and consciousness of the South African population (Wallace, 2009:136).

perhaps due to the fact that empirical studies of social capital have traditionally been limited to the Western context of open markets, free competition, and individualistic orientation, a context that is the backbone of structural holes theory (Burt, 1992). Indeed, it has been argued that “the image of network entrepreneurs negotiating for advantages has a market flavour associated with the American economy” (Burt, Hogarth, and Michaud, 2000:124). How the mechanisms of social capital operate in other contexts with different cultural norms and market mechanisms remains largely unexplored. For this reason, in our exploration of the networks and social capital configurations of small black entrepreneurs we attempted to combine the bonding and bridging varieties. Likewise, our analysis of the phenomenon of non-transferability of trust was premised on the heuristic distinction between thick trust and thin trust. It was noted that the literature suggests that social capital within one type of relationships will translate into social capital in other aspects of social life.

However, from the foregoing discussion we can conclude that what I have called the trust paradox indicates that the social capital generated within kin and communal networks of black entrepreneurs is not transferable to the business enterprise. Notwithstanding the links in the family/community-business interface, the stock of trust, co-operation and goodwill that exists in the former domain does not translate into social capital in the realm of business relations. On the face of it, this finding would appear to expose the analytical difficulties of integrating bonding and bridging forms of social capital and the corresponding notion of thick trust and thin trust.

Indeed, as we mentioned before, some sociologists dismiss reliance on primary relationships (family, kin) and communal solidarity as trust in the first place, calling it instead reciprocity. For these commentators, trust is the type of social capital embedded within relations with strangers, defined by the condition of impersonality or anonymity (Torche, 2004; Barbalet, 2008). According to this perspective, the distinction between reciprocal solidarity within bounded communities and trust becomes important because these two types of social capital are not fungible (Torche, 2004; Torche and Valenzuela, 2011). Thus, framed in these terms the explanation for the trust paradox, whereby families and stokvels will not extend trust and co-operation to entrepreneurs, would simply be ascribed to the fact that the social capital embedded in kin and communal relationships cannot be exchanged for trust as a sociological category embedded within relations with strangers. Of course, the relation with *strangers* as a sociological category is the opposite of the *personal relation*. If personal relations are defined by presence and reciprocity, the stranger is that who is *not continuously present*, that whom I

do not have a reciprocity bond with (Torche and Valenzuela, 2011). And as Portes (2000) has shown, the social mechanisms through which the two types of social capital operate differ inasmuch as within the family or the community, collaboration is successfully achieved through reciprocal solidarity and collectively enforceable norms, whereas these mechanisms are insufficient in a context defined by impersonal relations.

However, the non-fungibility of reciprocity [within bounded communities] and trust [among impersonal relations] does not explain away the trust paradox as a sociologically significant phenomenon. The relations between Lesego and Thuso, or Lesego, Thuso and their kinfolk or fellow stokvel members are not relations between strangers. Whether one calls it thick trust or reciprocal solidarity, the non-transferability of bonding social capital to the realm of business relations does not so much amount to moving from personal and communal relations to an interaction context of impersonal or anonymous relations with “strangers” as it signals the suspension of trust across normatively disparate boundaries.

Contrary to the assumption that thick trust or reciprocity does not require “trust” insofar as familiarity is taken for granted (Torche and Valenzuela, 2011), our findings suggest that business relations, whether within a personal or impersonal context, invoke the deployment of powerful cultural norms that trigger mistrusting behaviour among otherwise close and trusting parties. Perhaps this image of “self-seeking and egocentric agents with little sense of obligation to others” stands in stark contrast to the self-restrained actor in a closed kin and communal network, in which norms of reciprocity transform actors into “members of a community with shared interests, a common identity, and a commitment to the common good” (Alder and Kwon, 2002:25).

We have hinted that, on the basis on anecdotal evidence, South Africa’s settler legacy might exacerbate the drawbacks of egalitarian norms and related witchcraft beliefs, accentuating the normative clashes between the collectivist principles that underpin kin and communal solidarity and the entrepreneurs’ pursuit of individualistic advantages in the realm of business relations.

The above discussion suggests that cultural norms and beliefs have a bearing on the workings of social capital and trust. Over the last few years social capital scholarship has brought to the fore the importance of contextual factors in the analysis of social capital. Symbolic and cultural contingencies such as norms and beliefs now figure in the analysis of social capital not only because they function as sources of social capital but also because the norms and

beliefs in the surrounding environment influence the value of a given stock of social capital. For example, entrepreneurship may be seen as legitimate in one context, whereas in another context it might be seen as opportunistic and self-seeking (Adler and Kwon, 2002:33).

A collectivist example from the East

In this light, recent scholarship from China brings into play the normative disjunction between a collectivist context that favours the bonding type of social capital and the individualistic culture that spawns the bridging form of social capital found in “structural holes.” Xiao and Tsui (2007) in their case study of the social capital mechanisms among high tech entrepreneurs and firms in the typically collectivistic culture of China found that as a market-based concept, structural holes may be social capital for firms and individuals in contexts that operate on the market-competition and individualistic model. However, in contexts with strong norms of cooperation and effective sanctions for self-seeking, opportunistic behaviours, structural holes can actually become a liability to career or business advancement (Xiao and Tsui, 2007:23).

In Chinese culture, to establish the right *guanxi* and be included in the in-group is crucial for career and business success or survival (Xiao and Tsui, 2007). *Guanxi* refers to affectively charged relationships created by gifts and reciprocal favours, resulting in a pattern of social networks that puts a premium on long-term reciprocity and moral obligation (Xiao and Tsui, 2007; Herrmann-Pillath, 2009). People who stay at the boundary of two in-groups in order to benefit from the bridging social capital of structural holes tend to be distrusted by both groups—both in-groups are likely to regard them as out-group members who do not deserve in-group treatment. Simple and dense networks that represent clear group membership, rather than networks full of ‘structural holes,’ constitute resources for social actors (Xiao and Tsui, 2007). In a collectivistic culture such as China’s, it is network closure rather than structural holes that creates social capital (Xiao and Tsui, 2007).

Other researchers offer a more balanced assessment arguing that while China emerges as a society with strong relational collectivism, it also denotes a strong degree of individualism. This is because individualism finds its expression in the management of *guanxi*, among other forms such as entrepreneurship (Herrmann-Pillath, 2009). So, standard conceptions of Chinese culture lead astray: China does not lie on some extreme pole of collectivism, but actually is in middle ground in a more complex space of attitudes towards the individual and the group (Herrmann-Pillath, 2009:20). Hence, *guanxi* has also been described as a culturally

embedded form of Chinese social capital whose effectiveness might actually result from a unique middle-ground combination of the bridging and bonding type of social capital, which ultimately builds on a “culturally specific form of emotionality” (Herrmann-Pillath, 2009:23). But combining bridging and bonding forms of social capital is not without tensions and contradictions.

While it has been argued that the capitalist movement into the new frontier of China favours business relationships of kinship and guanxi networks and personal trust, research underscores the tensions inherent in this indigenous form of social capital as it adapts to capitalism (Yang, 2002:474). Whereas capital’s logic is one of endless accumulation, that of guanxi practice is a system of power based on expenditure and giving out. In China’s new market economy, even when guanxi is deployed to gain money, it can only do so by resorting to practices which go against the very grain of the principles of rational capital accumulation, that is, by being generous in giving of one’s wealth and other resources (Yang, 2000; 2002). Thus, “in guanxi capitalism, there are two economic principles of operation working together and against each other - accumulation and expenditure - and there are two kinds of capital - material and symbolic” (Yang, 2002:475)

In the circumstances, guanxi illustrates the cultural contingency of social capital, showing that the bridging form of social capital, based on the exploitation of structural holes and bridges in social networks, works differently in different cultural settings, which imply different valuations of assertive and acquisitive behaviour (Herrmann-Pillath, 2009). It certainly mirrors the contradictions and challenges of social capital mobilisation across disparate normative logics facing the likes of Lesego and other entrepreneurs deeply embedded in kin and communal networks where bonds of obligation and reciprocity hold sway. To be sure, except for a handful of cases (all with rural-based links), small black entrepreneurs in Tshwane are worse off for unlike their Chinese counterparts they do not seem to derive the advantages of network closure, such as trust, reciprocity, and co-operation that exist within kin and communal networks . To the contrary, the egalitarian norms that inform bonding ties seem to dampen or block the transferability of any social capital benefits for this group of entrepreneurs. In the context of the present study, structural holes must certainly work only for those entrepreneurs disembedded from kin and communal networks and whose social capital profile tilts heavily towards bridging ties, such as those with privileged backgrounds, young and educated urbanites, and the vast majority of Pentecostal entrepreneurs.

Summary

This chapter provided a contextualised account of the various types of networks and sources of social capital accessed and mobilised by small black entrepreneurs, and sought to unpack the mistrust that characterises their operations. While entrepreneurs belong to a mix of multiple networks with diverse sources of social capital, the profiles were presented in terms of a continuum ranging from an overreliance on the bonding forms of social capital found predominantly in kinship and communally-based ties to the bridging type of social capital of entrepreneurs who invest their time and resources primarily in high-value business-enhancing networks. Perhaps the largest category of entrepreneurs is to be found in the middle navigating through homogeneous, inward-looking and heterogeneous, external networks. The most common sources of bonding social capital were extended family ties, including family societies, and a wide variety of communal associations, with stokvel societies topping the subcategory. Sources of bridging social capital for entrepreneurs included business-oriented organisations, political associations, and networks of high-value weak personal links. Drawing upon conceptual insights from the capabilities framework and relational sociology, an attempt was made at uncovering some of the socio-structural and cultural arrangements that influence agency and indeed determine the formation of objectives people value. Besides socio-economic background, factors that were found to impinge on patterns of associational membership, and thereby influence social capital formation, were gender-specific identity landscapes, degree of embeddedness in extended kin networks, and religious orientation. The evidence adduced with the aid of case examples suggests that the interaction of these factors influences entrepreneurs' agentic dispositions and social capital profiles.

The chapter's highlight was the phenomenon of non-transferability of social capital across distinct domains characterised by disparate cultural norms, logics and expectations. While a large number of entrepreneurs are embedded in networks with access to some form of bonding social capital, critical resources in this domain, with few exceptions, do not seem to transfer to their entrepreneurial activity. Trust and goodwill within kin and communal networks were found to be non-leverageable for business relationships, resulting in an acute deficit of co-operation among small black entrepreneurs. In fact, thick trust, which is founded on cultural norms and beliefs of reciprocity, turns into mistrust in the sphere of business activity. Entrepreneurs 'live together' in the confines of kin and communal networks, but 'work separately' in the private domain of their businesses. The collectively oriented entrepreneur, embedded in close-knit networks of family and communal ties, seems to morph

into an individualistic, lone operator bedevilled by mistrust, lack of goodwill and co-operation on the part of kin, community, and fellow entrepreneurs.

Our analytical strategy, based on a relational approach, enabled us to deconstruct these separate spheres of hostile worlds, conceptualising them instead as differentiated social ties around which boundaries are erected and marked by means of metaphors and practices. This was further enhanced by an ethnographic exploration of the meanings behind the non-transferability of trust across normatively dissonant boundaries, which revealed that the resilience of egalitarian norms of African collectivist culture and related witchcraft beliefs may be acting as potential roadblocks to generalised trust and co-operation among small black entrepreneurs. In addition, we speculated that historical legacies in the settler post-colony, characterised by acute economic inequalities and normative dissonance, may exacerbate the cultural drivers at the root of the trust paradox. Overall, the relational approach to the study of the social and business networks of small black entrepreneurs underscored the cultural contingency of social ties and network structure, showing specifically how social capital and trust can be understood as composed of culturally constituted processes.

Nonetheless, for all the pervasiveness of the trust paradox among a cross-section of entrepreneurs, namely those deeply embedded in kin and communal networks for whom the collectivistic norms of uBuntu still matter, the phenomenon does not seem to impinge on a breed of mostly young, urban and highly educated entrepreneurs. Pentecostal entrepreneurs, particularly first-generation converts, feature prominently in this group. While the evidence presented shows that even some highly educated entrepreneurs are, “by choice,” driven by communal considerations and impacted by the mistrust phenomenon, Pentecostal converts, regardless of socio-structural considerations, were found to be impervious to the trust paradox. In the next chapter I address myself to the Pentecostal “advantage,” and show how it has a bearing on social structures and cultural norms, shaping the entrepreneurial practices of converts.

Chapter Five

The Born-Again ‘Advantage’

“In church we used to sing a hymn: *Legodimong re ile go ke na le ge sathane a ka re thibela* (As much as the Devil tries to stop us, to Heaven we’ll go/went). But I used to tell my mother that if we stay poor, the chances of going to Heaven are slim. Poverty is a big demon.” (Lebogang, a township Pentecostal woman entrepreneur)

Introduction

The previous chapter offered an account of the personal and business networks of small black entrepreneurs in Tshwane, stressing the significance of a relational approach for understanding the social capital profiles of entrepreneurs. The insights gained demonstrated the usefulness of constructing an approach to social capital that at once highlights the pre-eminence of socio-structural factors and emphasises the cultural contingency of networks. Throughout our discussion it became apparent that religious orientation, especially Pentecostal conversion, revealed itself as one such contingency, influencing entrepreneurial dynamics in a variety of significant ways. We suggested that religious orientation was an important factor in shaping patterns of associational membership and social capital formation. Pentecostal churches provided a platform for business opportunities by mobilising urban networks of professional contacts and sources of financial assistance for individual entrepreneurs, contrasting with the mutualist and communal orientation of ZCC entrepreneurs embedded in networks of bonding social capital. Similarly, when we grappled with the phenomenon of non-transferability of social capital and explored the cultural meanings behind the widespread mistrust that bedevils black entrepreneurs, it was hinted that a particular category of study participants, chiefly born-again converts, was found to be unaffected by the conundrum of the trust paradox, perhaps by virtue of the structural and normative detachment from extended kin and communal ties.

Thus, the present chapter seeks to expand on these themes, examining the ways in which the born-again entrepreneurs I worked with imagine and portray their social world, with a particular focus on a range of religious dimensions that were found to intersect with entrepreneurs’ networks and social capital, seemingly conducing to positive entrepreneurial outcomes. Before proceeding, let me make one methodological prefatory note: in order to better understand the workings of the religious factor, the student decided to supplement the

in-depth interviews with ethnographic observations, having shadowed four born-again entrepreneurs over a period of 2 years. Furthermore, in addition to key-informant interviews with Pentecostal pastors (two from different inner city churches, and two from small township congregations), I attended a handful of services at the so-called prosperity churches founded by West African pastors in the inner city as well as at indigenous congregations in township settings. In the latter I participated as a guest whereas in the inner city I blended into the congregation unannounced. Unfortunately, several attempts failed to secure the same level of access to AIC pastors, particularly the ZCC, which is the largest faith in Tshwane North. This circumstance was compensated for by the fact that an overwhelming majority of the Pentecostal participants converted from the ZCC itself, and thereby were able to provide rich insider accounts of their own pre-conversion experience. In addition, I interviewed two ZCC elders as key informants, one of whom has since passed away.

Born-again Pentecostals represented 41 percent of the interviewees (N=34), followed by mainline Christians (29 percent), AIC's (18 percent), and African traditional religion (6 percent). Only one entrepreneur did not belong to a church, and another one was a Jehovah's Witness. Pentecostals, popularly known in the community as *Bazalwane*,³³ included members of the so-called prosperity churches, both mega-churches and congregations founded by West African pastors (mostly found in the city), as well as a handful of local neighbourhood-based indigenous groups in township settings. The overwhelming majority of the AIC participants were members of the ZCC, whose headquarters are in Morija, Limpopo Province. This provided an excellent ideological counterpoint for comparing and contrasting with Pentecostals. The latter had their businesses mostly located in the city (10), with only 4 in the township. Mainline Christians predominated in the township (7), against 3 in the city. Similarly, township ZCC members outnumbered their urban counterparts by 5 to 1.

The chapter has four main sections, and it begins with snippets of ethnographic observations that provide rich contextual insight, prefiguring the whole gamut of themes. On the whole, these fall under the general rubric of discontinuity with the past brought about by Pentecostal conversion. For analytical purposes only, the discontinuity can profitably be divided into socio-structural and cultural dimensions. The first section focuses on socio-structural discontinuities as we return to and elaborate on some of the aspects of networks and social capital that were addressed in the previous chapter, showing how Pentecostal converts shed

³³ Bazalwane refer to insider greeting of brother or sister in the Lord (singular Mazalwane). I realised that while Pentecostals themselves do not dislike the term Pentecostal, generally they refer to themselves as *Christians*.

old networks and adopt new ones, as well as the ways in which these are leveraged to their entrepreneurial advantage. Likewise, the second section discusses aspects of cultural discontinuities as we examine the break with the traditional past and the embrace of a new Weltanschauung that is synonymous with modernity. Thirdly, we highlight the social backlash to the structural and cultural discontinuities. The chapter ends with a consideration of some of the entrepreneurial ramifications of the Pentecostal “advantage” for small black entrepreneurs.

Vignette 1: Impressions from an inner city Sunday service – discontinuity and prosperity

The church is extremely well-organised. The incontrovertible evidence of the car park and the smart, expensive clothes worn by most congregants attest to their socio-economic background. Elegantly dressed ushers (in uniforms) guide the faithful into a disciplined line outside the church, while waiting for congregants of the early-morning service to exit the building. When the latter finally make their way out, another group of attendants escort the congregants to their seats, occupying the rows from front to back. In less than 15 minutes the entire auditorium is filled to capacity (approximately 500 people, most of whom are black young, polished and urban-looking folk). The overflow is directed to the 1st floor, where believers will follow the proceedings through flat screen monitors. The sequence of proceedings is as follows:

- a) Worship, including a long monologue by believer speaking in tongues.
- b) Praise led by an enthusiastically welcomed band of gospel singers.
- c) Church business, including various house-keeping announcements, with special reference to the church’s Business Foundation and the construction of the future mega-church. It is a sprawling, resplendent structure proudly displayed on the monitors in its various angles, as the senior Pastor kept referring to numerous scriptural passages to support and legitimate the splendour of the project. At this stage baskets and envelopes were passed round for financial offerings, which moments later are collected; the envelopes specify five types of offerings: 1) tithe; 2) offering; 3) benevolence; 4) building fund; 5) pastor’s love offering.
- d) Further praise and prayers, with emphasis on the workings of the Spirit (“I can touch it, smell it, even if I can’t see it”).

Brief appearance by the congregation's "first Lady" and Prophetess, dressed in a glittering pink outfit, to announce upcoming seminars and events related to the church's Women's Ministry. She proudly announces that a former Miss SA and prominent businesswoman and socialite will be the keynote speaker at one event, for which 10 tickets are bought on the spot by volunteers through a show of hands for distribution to congregants who can't afford to pay. The seminar is part of a regular series of networking events at which motivational speakers and business gurus are invited to address the congregation.

e) The Church founder and principal Pastor smartly dressed in a black suite and pink tie matching his wife's outfit, delivers a riveting 90-minute homily on the causes of poverty. The church's motto is *transforming lives through the power of the Spirit and the Word*. The sermon is premised on the need to transform the "poverty mindset" through vision, a process that revolves around the development of a belief system on the inside of the individual, consisting of faith, vision, and a set of beliefs and norms. These are capable of propping up the exterior projections of successful works. He invites believers to take out their notebooks and write down. The congregants juggle their Bibles and notebooks painstakingly, highlighting and jotting down notes as if attending a ritual lecture, while listening intently to the Pastor, with most vigorously writing notes throughout the sermon.

Sermon highlights:

The teachings are couched in the dominant narrative of economic and social progress of individual members, with quotes from the Scriptures punctuating the prosperity argument for theological legitimation.

"Poverty is a curse (repeated last week). God does not condone poverty. God ain't poor. You are more likely to fall to the temptations of the Devil when you are poor. That's why God wants you to be blessed with material things. God's will is abundance. You must fight poverty with all the strength you can muster inside of you. Poverty is an aggressive evil spirit that must be countered by bold, aggressive faith. You have to be aggressive to tackle poverty.

The Pastor pauses and leads the congregation in the following prayer: "Lord, the spirit of poverty has to move out of my way. I refuse to allow the spirit of lack to take hold of my household. Lord, I thank you for your Promise of perfect provision. I give myself to fully obey and follow your Word. Bless me so that whatever I do will prosper."

“The Bible says money answers all things (repeats for emphasis)! If truth be told, all the problems that many of you are facing right now are money-related. But don’t look to the government or other people for your supply. The Word is our supply. Jesus is our source. We don’t have a limited supply when God is our source. In the name of Jesus we command money to come to your homes.”

“The Bible says under Proverbs, Chapter 29 verse 18: Where there is no vision, the people perish. Vision is to declare, to show the end from the beginning. God declares the end from the beginning. Faith has eyes to see the end from the beginning. To see what the future looks like from the beginning of the journey. Vision comes in two ways: 1) through the spoken word; and 2) dreams.”

“Wrong vision or absence thereof: That’s why some folks are going to die in the wilderness no matter how much we preach. When the wrong teachings, the wrong morals, the wrong picture combine with the wrong environment in which you’ve been raised and where you’ve cultivated the wrong thoughts, looking at the wrong examples, then you are going to be self-destructed because of what has gone into your minds. Images in your mind will either make you or break you.”

“Belief is to see the end from the beginning. God never addresses you where you are at. He always speaks to you at where He has already determined for your life, where you will end up. God works in your life through vision and images, pictures.”

“Social and cultural free radicals: Don’t just leave your mind to run wild. Don’t leave free radicals to run your mind.”

“The danger facing Christianity today is that evangelists are reversing the way God ordered things. Evangelists make people see first before they believe. He comes and tries to create on the outside of your life something that you don’t believe on the inside, because the job of the evangelist is to perform miracles, hoping that eventually you will believe. So some of the stuff that we do in the church today, even if it’s good it’s a distorted concept. That’s why certain men of God fleece the gospel. Yes, we believe in sudden miracles, but this is not a church of quick fixes. This is a church of process miracles - a slow, systematic progression for inner transformation and lifelong changes in our lives.”

“Persuasion about Heavenly vision and belief: persuading you to believe what He said about you is God’s greatest challenge. Paraphrasing God’s covenant with Abraham, who was

initially doubtful on the inside, yet professing that he was faithful on the outside: some believers self-deceive by thinking that they are going to reap on the outside what they don't believe in on the inside. You want some car? Conceive the image on the inside! You want some house? Conceive the image on the inside! The belief system on the inside props up the outer projection of your success. Don't ask me to give you something on the outside that you are not willing to conceive on the inside! Don't be amazed at what you are reaping. Look at what you have sown inside. Look at your faults; look at your images; look at your imagination. Confront your fears; confront your doubts. Stop living in pretence. Stop acting like you believe when you don't believe. Instead of deceiving yourself, ask for help to believe."

[On personal agency and social mobility] "The environment is messing you up, preventing you from conceiving on the inside (the vision). You must get out from the place that reminds you of your failure! The place that reminds you of your disappointments! Don't be passive! Don't accept peace at any price! That's passivity. That's why I say, if you live in a shack somewhere in the squatter, somewhere in Hammanskraal or maybe Mandela Village, wherever you may be staying, at least while you still have got legs, if not ask someone to put you on a bike and get out of that environment that causes you to feel disappointed, that causes you to feel down, makes you feel like a failure, and go and have a breath of fresh air somewhere else; go and look somewhere else; go and look for what the future can be!"
(Raucous applause and ululation)

Vignette 2: A recent township convert – social backlash and entrepreneurial dreams

Celia is an extremely articulate primary school teacher. Her husband is also a teacher. They have 3 sons and a daughter. Her father being a ZCC pastor, she was born into a staunch ZCC family and, naturally, grew up to become a ZCC faithful. Her husband, though, professes traditional African religion and is a devout ancestor worshipper. The household comprises the nuclear family plus her husband's parents.

The family had been experiencing profound disharmony, which was caused or made worse by material hardships. "Even though we didn't have enough money to buy basic household stuff, we were spending too much money on *sangomas* (traditional healers) trying to fix the problems." She indicated candidly that even in the bedroom they had problems. "I was not sexually satisfied." Her marital problems were taking a toll on her health.

She used to watch evangelical programmes on television, and became familiar with a number of Pentecostal preachers. She acknowledges that in the face of the crisis in which the family was mired, those programmes influenced her decision to become a born-again Christian. This happened in April 2008, when she joined a local congregation [Upon the Rock]. Soon after, though, she decided to start her own ministry, putting up a makeshift structure on a vacant municipal plot near her house. The ministry has currently a membership of 10 local families.

She paid a high price for converting to born-again Christianity. That set her on a collision course with her family's ancestor beliefs and practices, aggravating her estranged husband and in-laws. "The family ganged up against me, especially my husband and in-laws. They thought I was crazy: how can one start a church under a tree without a congregation or a pastor?"

The largely ZCC community, especially those who still believe in the power of ancestral spirits, as she puts it, also ganged up against her. For starters, she lost her job at the local school. Then, community members asked the municipality to remove the makeshift structure. "But as all was through God's will, the structure is still here, but most are not happy to see it still here," she says.

"By inviting the Holy Spirit into my home, I was now able to buy a new blanket and clothes for the kids. I can now manage our debt and stay away from loan sharks, and I'm able to save some money. Before I used to spend the money in non-productive ways, but right now I'm starting my own business. I'm selling primus stoves (paraffin pressure stoves) and *zozos* (improved dwellings) in squatter camps, and it will flourish." At a later stage, she intends to register a section 21 non-profit company to build an orphanage and a skills centre in the neighbourhood.

She uses unflattering words to refer to her previous experience within the ZCC community: "[the faithful] are brainwashed not to do good for themselves, only for the superiors. Look at the money we pay to Moria³⁴ every festivity, whereas we still live in poverty in RDP houses." "We worship God directly, whereas ZCC members pray to their Bishop and believe in his intercession powers." "The ZCC greet each other using the word "*kotsong*;" but did you know that's the name of a famous witchdoctor?"

³⁴ The ZCC headquarters in Limpopo Province.

She reckons that in her short experience as a born-again preacher trying to “win over souls, the greatest challenge is that most people find it difficult to decide for themselves; they depend too much on other people. You must value your individual freedom; you must initiate and start things by yourself. You must be comfortable as a person; you must be satisfied as an individual before satisfying anybody else.”

A year later, in November 2010, while visiting one of my key informants and gatekeepers in Hammanskraal, I bumped into Celia. Unfortunately I was not able to engage her on an impromptu conversation but she sounded ebullient – “I’m driving a car now,” she exclaimed in delight, as we exchanged greetings in Setswana. Her primus stove and zozo was booming.

Vignette 3: A township healing ministry – battling evil spirits

The congregation comprises about 25 people, mostly young women and students from a nearby tertiary college. Also in attendance are a few middle-aged women and men and a handful of elderly, all cramped into a makeshift room with corrugated zinc roofing. These are the premises of a local crèche. After the praise songs, Lebogang introduces me to the congregation as “a friend from Pretoria who has visited us many times.” The reader will recall Lebogang’s life story and social capital profile from the last chapter. When Lebogang, her late father and mother, who is her business and spiritual partner, became born-again Christians in 1996, their extended family ties were severed.

The owner of the crèche, a middle-aged woman, steps up to the front and shares her own conversion testimony, which coincides with the founding of this very congregation. I was not sure whether it was stage-managed for me as a guest or perhaps for this other visitor who was attending the service for the first time. It is a story that Lebogang had told me in one of our early encounters.

A few years after their born-again conversion, Lebogang’s mother realised she had a special faith healing gift. One day, a neighbour who owns a day-care centre was referred to her with what appeared to be a “witchcraft problem.” Every morning upon unlocking and opening the gate of the day-care centre, she would be confronted with a bizarre scene: the children’s plates, which customarily were washed and put away at the end of the day’s business, were found awash with human excrements. Lebogang’s mother led a prayer session on the premises of the crèche, with members of the community in attendance. Suddenly, witnesses felt as if the ground was shaking. From that day on, the “witchcraft situation” had

disappeared. The owner of the crèche and others encouraged Lebogang's mother to start her own faith healing ministry. Considering that she was already experiencing some hostility within the church for being seen as stealing the show from the pastors and preachers, Lebogang's mother and a handful of followers split up and formed the small neighbourhood-based Life of Jesus Christ Healing Ministry in 1999. A decade later, with a growing membership that now stands at about 30 families, the ministry continues to operate from the premises of the crèche.

After two additional testimonies, the pastor leaps into her feet and, in a ritualised movement reminiscent of televangelists, her right hand curled into a fist as if clutching at a microphone and the left hand slicing the air in front of her, preaches Daniel's Gospel. The readings alternate English with Setswana. I notice that the congregants follow the lection with their Bibles but, unlike their inner city counterparts, they don't seem to be writing notes.

The highlight of the service is a teenage girl, for whom prayers are offered. Two weeks earlier she had attempted suicide after failing to carry out the instruction of a "satanic group" she had joined to kill her own mother. The latter as well as the girl's grandmother have been "saved" (converted) last week, and were all in attendance as well. It turns out that the most frequent reason for seeking the ministry's help, followed by a likely conversion, is related to evil spirits, Satanism and witchcraft. Lately, the township was awash with satanic cases, some having recently made national headlines when "*muti* killings" were involved. The pastor expressed her horror at the growing number of young people attracted to satanic groups "out of desperation."

At the end of the service Lebogang addresses the youth in Setswana with a motivational talk, acting out the mantra of the small ministry, which is *nothing is impossible; we can change our lives*. She goes on to complain that the biggest challenge facing the ministry is that "people don't believe in big things. They don't believe that you can start your own business, and that the business can grow beyond your street-corner spaza shop."

Vignette 4: a heart-wrenching conversion experience

Thabang is in his mid-30's and lives in a township in Hammanskraal, from where he runs a construction business, which he started in 2007 in a 50/50 partnership (one of only two business partnerships among my interviewees). Thabang turned out to be a key participant in the ethnographic stage of the present research; over a period of two years I've had five long

conversations with him in a variety of different settings, including GEP (Gauteng Enterprise Propeller) offices in Pretoria, coffee shops in town and the humble premises of his business. Born in Limpopo, he converted and became a born-again Christian in 2004 while reading for an LLB (incomplete degree) at UNISA. He claims that not only has his conversion saved his marriage, it led to him starting his current business. It led to a virtual breakdown of his extended kinship ties, too, as it turned out.

Thabang was born in a staunch ZCC family who observes and practices traditional ancestor rituals. His late grandfather was a senior ZCC pastor, who was very proud of him. Indeed, the entire family was very proud of Thabang for he was always regarded as “special” because growing up he was a quiet and disciplined child, smart (none of his siblings went to university), respectful, and family-oriented. So they would always involve him in the family’s religious rituals. In a somewhat lecturing tone, he notes that the ZCC is an African-rooted church, and that it embraces ancestor beliefs, which “they put together and reconcile with God. Sometimes they go as far as worshiping the religious leader of the church. They will worship the bishop himself because they think he’s divine, he’s not like us.”

When I first interviewed him, he answered the question as to how close his ties were with his family in Limpopo, as follows:

“My parents are Pedi and I still have close contacts with my Pedi family in Limpopo. Although the connections are still there, I feel that somewhere, somehow the line is breaking up. Not so much because one doesn’t love them anymore but because of (...) financial difficulties, which force us to reduce the number of visits as well as the number of people we visit. Still, we use the telephone to call them and keep in touch.”

It is true that many entrepreneurs did complain that financial constraints limit the number of trips to visit kinfolk in rural area, mostly in Limpopo province, with many of those trips over the last several years being undertaken in connection with HIV/Aids-related deaths. But there was more to this than met the eye.

In subsequent iterations, Thabang admitted that his break with the ZCC had caused enormous tensions and irreparable fissures in the family. “When the moment of my breakaway came,” he recalls, “the family was shocked.” Everybody viewed it as if he was undermining the culture and the traditions of the family. He recounts: “They spent their money to take me to school; I was the first one in the family to go to university; today I know better and stand there telling them that they have been worshipping in the wrong way. That was an affront!” The family started blaming his new church. “These born-again churches are not real churches

because they teach people to disrespect their elders,” he quotes his furious father. “I brought you up in our tradition, and today you cannot come and tell me which belief is correct or incorrect, which path is right or not right. I’m more experienced than you are.”

Thabang sought to placate the rift by offering assurances that “my family and I will visit you. We are part of you. Even if we are from a different church now, we’ll come and visit you.” I interjected: “When you say ‘my family and I’, whom are you referring to?” Thabang was categorical: “My family is my wife and my children. That’s my family.” Apparently his mother was more understanding of his pleas. “I explained to her that I still love and respect the values of our culture, our respect for marriage, our clothes, our food, and everything about our culture. But I do not like the religious and spiritual part of my culture when it comes to ancestor beliefs and rituals.” Nonetheless, his father and grandmother [the widow of his late grandfather who was a ZCC pastor] did not accept his conversion. Their estrangement is captured in the following poignant testimony:

“They separated themselves from me even before I started my business. I didn’t. When there are special occasions in the family, like marriages or funerals, I try to be there. But when I get there, I feel that people are not the same towards me. They are not open, welcoming. They will greet you as if you are a stranger. Even my father will behave like that. In African culture, as a visitor you sit down to signal respect and that I’m relaxed and that we can talk if you have troubles. If you stand, that means you are in a hurry and don’t have much time for your host. So, I’d sit down and humbly greet my father with the intention of talking to him. Normally he would engage me: ‘How’s life? How’s work? How are you doing generally?’ (...) After I became a born-again Christian, he just goes coldly ‘I’m well. Don’t worry about me.’ I can feel that there is this unwelcoming spirit, because they feel like I’m a threat that undermines their culture and traditions; that I’m disrespectful. That’s why I say they moved themselves away from me. Whenever I go home, I can see that I’m not welcome. My father doesn’t want to talk to me at all.” (Thabang)

The above vignettes encapsulate the main themes of this chapter with varying degrees of emphasis across city and township Pentecostals. Clearly, the prosperity gospel, the break with the past and the embrace of modernity are the main thrust in the inner city church, with its role as a platform for development of new social networks and provision of business-specific skills being equally apparent. On the other hand, while the prosperity gospel also percolates into township ministries, as reflected in this very chapter’s opening epigraph and the post-conversion business ventures pursued by the featured entrepreneurs, these churches appeared to be engrossed with cases redolent of witchcraft and evil spirits. Also, for township Pentecostals the social backlash against conversion was a near-universal experience. Using as my main organising principle the idea of three relational contexts within which all social action unfolds, i.e. social structure, culture, and social psychology (Emirbayer, 1997), and at

the risk of reifying the distinction between the structural and cultural dimensions of Pentecostal discontinuities and transformation, let us examine these in turn.

Socio-structural discontinuities: old versus new networks

Throughout this report we have been emphasising that a large group of entrepreneurs are deeply embedded in kin and communal networks. ZCC entrepreneurs in particular, as exemplified by Kgomotso in the last chapter, were conspicuous in a category that is over-embedded in networks of bonding ties, notably extended family and stokvels. This is consistent with the literature, where ZCC members invariably tend to denote the strongest sense of extended family and communalism of all (Oosthuizen, 1997; Garner, 2000). In our earlier discussion, we have shown that for all the damage inflicted by colonialism and apartheid many township entrepreneurs still uphold the mutualist and communal norms of uBuntu. In this regard, it has been argued that uBuntu lives on particularly in the ZCC movement, as its emphasis on the communal aspect of early Christianity has allowed “the pre-colonial order of the extended family to be replicated into the modern post-industrial world, and the extended family of the small Christian community under the authority of the father/spiritual leader is the template for the standard AIC congregation” (Oosthuizen, 1997:23).

Prior literature suggests that in view of the fact that most ZCC households engaged in small business activities do so less out of a desire for capital accumulation than out of a desperate need to reproduce themselves, ZCC support for small business is less at the level of promoting individual wealth accumulation than of enabling poor households to survive the ravages of poverty (Oosthuizen, 1997:109). A preeminent scholar of African Independent Churches, Oosthuizen notes that ZCC networks patronise the businesses of their members, the church thereby emphasising that what is good for one individual (the entrepreneur) is good for the community (Oosthuizen, 1997:71).

Furthermore, AICs extend direct support to small businesses in many forms, the most important being assistance with securing start-up capital, although a major form of assistance is through the church’s support of stokvels (Oosthuizen, 1997:74). The small businesses in Oosthuizen’s study appeared to have been founded by individuals that rely on communal networks of social and financial support, thereby creating a network of mutual obligations between family members and small businesses (Oosthuizen, 1997:44). This was not evident in the present study.

As we have seen in the preceding chapter, the bonding ties of entrepreneurs like Kgomotso and others deeply embedded in kin and communal networks were found to be generally insusceptible to being put to use for business purposes. Specifically, although most ZCC entrepreneurs were members of ZCC-sponsored stokvels, these, too, were not useful for advancing the interests of individual entrepreneurs. The one type of church support that was frequently cited was in the form of prayers and ritual interventions by ZCC prophets. For example, a seasoned entrepreneur, who converted to the ZCC in the year 2000 (the only such case in my study) and whose agricultural consulting firm is located right next to Kgomotso's business, described the referral of his business problems to the church as follows:

Yeah, you write a report to the church. You are then referred to a room for a one-on-one consultation with the prophet in the presence of a witness. The elders then send the report to the headquarters, and somehow you may get intensive prayers. After a week or more you may be told to perform a few rituals or prayers for a few weeks every day. You see, as a cultural person (sic), there are things that interfere in your life. You'll find that your father or grandfather is not happy about something. Maybe a family member has a grudge against you.... (Caiphus)

By the same token, another ZCC entrepreneur had reportedly closed his business during his full-month sojourn in Moria [the church's headquarters in Limpopo province] with prophets, in hopes of finding out who was sabotaging his construction business. While there he underwent *go aramela* (steam treatment for ritual cleansing) in order to protect the business. According to Oosthuizen (1997), sometimes these intangible forms of support (e.g. healing and exorcising) are linked to more tangible ones. To be sure, as mentioned previously, the ZCC's Kganya Business Group extends business advice and financial assistance to collective group projects, perhaps this being the reason why study participants had never used the facility.

In stark contrast to ZCC members, Thabang and Celia's stories in the above vignettes, as well as previous accounts by Lebogang and other born-again entrepreneurs reflect a pattern of a fundamental break away from kin and communal networks. Many entrepreneurs, under the aegis of the new Pentecostal faith, distance themselves from their extended kin networks, although rationalising the estrangement as a decision taken by their own kin in the aftermath of their conversion. The church becomes the believer's extended family and ties with the extended network of kin diminish as energies are refocused on the nuclear family. As Thabang put it, "I experience support and brotherly love in church. Once you can open up and discuss personal issues from sexual problems to business, then you know you've got a family." In the words of a pastor-cum-entrepreneur, "once a person becomes saved, the born-again Christian finds a new spiritual family in the church."

In this connection, it has been argued that as many Pentecostals and charismatics are suspicious of the extended family, the extent to which Pentecostal churches stimulate the genesis of new forms of communality, which may act as a surrogate family, should not be neglected (Meyer, 2004:461). Elsewhere, this new emphasis on the nuclear family is particularly important for the second generation of urban Pentecostals [in Zimbabwe], who grew up in the city (Maxwell, 1998:354). While in general born-again entrepreneurs defined their family ties in terms of Western conceptions of nuclear family, in the context of this study the breakdown of extended kinship links was particularly acute among township Pentecostals, with especial reference to those who were born into ZCC families. Schlemmer (2008) corroborates this frequently mentioned intergenerational conflict within the extended family arising from Pentecostal conversion. On the face of it, the reasons for the rift seem to lie in the sharp cultural cleavage between the 'traditional' ZCC and the 'modern' Pentecostal.

A former prosecutor in Tshwane North, senior pastor Sam from the inner city church mentioned in vignette 1 above, observed that no theological account supports the notion that successful born-again Christians become estranged from their families. "It is not that these born-again Christians are successful in managing their lives and then decide to distance themselves from their [extended] families. It is because their families don't believe in what the born-again has achieved. He or she is now this entrepreneur, and they don't believe in what you are." The pastor goes on to explain that "because of the culture in which we grew up, where there are so many beliefs [sic] the conflict starts when one chooses his or her faith and the family does not believe in it."

The argument that it is the extended families who detach themselves by reason of a perceived cultural affront was corroborated by converts, who insist that it is not them who cut off ties, but "they [the family] dissociated themselves by accusing us of undermining and disrespecting the family traditions, i.e. cultural beliefs, including ancestor rituals." Of course, the converts, too, on their part distance themselves from their families' traditional rituals and past practices, resulting in their estrangement and subsequent disembeddedment from kin networks. Thabang and Lebogang echoed precisely this sentiment: "It's true that our family has left us since we became born-again, or maybe it's also true the other way around, we left them." Of course, one of the most significant aspects of born-again conversion is a complete rejection of traditional culture in the form of ancestor rituals (Anderson, 1992; Kileyesus, 2006). Not all conversions, though, led to a traumatic break with old kin networks. The "exceptions" were Pitso, the hotelier from KwaZulu-Natal, most of whose extended family

migrated to Tshwane, and more tellingly, a subgroup of entrepreneurs whose families belong to Mainline Protestant churches, suggesting perhaps that a lesser “cultural” rupture might have arisen from the conversion. This said, naturally not all conversions³⁵ lead to an immediate change in the convert’s life, let alone the breakdown of extended family ties. Bontle’s story reminds us of the centrality of the structural context of conversion.

Networks: beyond voluntarism

The owner of a day-care centre with 80 children and 5 employees in Hammanskraal, Bontle was born in a devout ZCC family. When I first interviewed her, she sounded coy about her religious affiliation but declared herself a ZCC member. A disproportionately huge framed photo of the church leader hung high up on the wall of her modest office space. Bontle lives with her mother (a retired nurse), 2 young children, 4 younger siblings and a grandmother. She was reading for a law degree at UNISA in 2000 but had to drop out when her father, who sponsored her studies, passed away. In later interactions she amended her story, explaining that she had joined a Pentecostal church in downtown Pretoria and became a born-again Christian during her varsity years, a trajectory that mirrored that of the vast majority of young converts in the present study. Although she had not been attending church on a regular basis, she considered herself a born-again Christian.

However, as I became more acquainted with Bontle’s social circumstances, the latter didn’t quite seem to comport with the general pattern of other Pentecostal converts, especially insofar as old networks and practices were concerned. Granted, the conversion had created a lot of tension in the relationship with her mother, grandmother and other staunch ZCC kinfolk to the point of forcing her to move out into a neighbouring township. Despite the move, though, to my naked eyes Bontle’s Pentecostal conversion appeared to be more nominal than real, as it had not had a meaningful impact on her personal life by way of tangible changes. Confronted with overwhelming obligations towards her siblings, mother, grandmother and the occasional requests from an uncle, which were all making a dent in her business cash flow, she sought spiritual counselling with a Pentecostal pastor, who advised that she was only responsible for meeting her own children’s needs. Still, perhaps for fear of alienating the family, Bontle seemed powerless to shed the many extended and arguably hostile kin links which constrained her ability to enact her Pentecostal faith.

³⁵ I agree with criticisms of the term “conversion” that say it generates expectations of a rapid and radical transformation that is rarely the case in individual religious change (c.f. Comaroff and Comaroff, 1991).

An act of God changed Bontle's relational context, when Koko, the grandmother, passed away in January 2010. On the face of it, the elderly woman, whom I had interviewed a short few months earlier as a ZCC key informant, was the bastion of the church's enforcement 'brigade' in the family. As a result, after years of dormancy it appeared as if Bontle reset and re-enacted her new faith, unleashing the trademark born-again mojo. She was ready to swing into action and prime the pump. Perhaps not coincidentally, over the following eighteen months Bontle went on to open a new day-care centre and a small caravan-mounted retail business, hiring an additional three employees. Her own mother started attending a local community Pentecostal church, both seeming to work now as a spiritual and business unit. After all, Bontle was the only convert living in a non-Pentecostal extended family.

The subtheme here is Smilde's notion of "structural availability" to conversion discussed in chapter 3, whereby the presence of Pentecostals in someone's personal networks facilitates access to Pentecostal narratives (Smilde, 2007). Whether a person belongs to families or has a circle of friends among which there are evangelicals shapes his/her "structural availability" to conversion (Smilde, 2007:164). In Bontle's case, the spatial presence of family of origin who was not Pentecostal proved a structural drag on her conversion process. This suggests that Pentecostal conversion goes beyond mere cultural voluntarism in the sense that it is not simply a personal decision. Pentecostal conversion depends on structural contexts that facilitate exposure to a particular meaning system or do not hinder cultural innovation. In other words, conversion is structured to an important degree by the individual's social relationships (Smilde, 2007:156-164). Structurally situated in a precarious confluence of "old" ZCC order and the alternative Pentecostal networks, and culturally split between ZCC's communal norms and the Pentecostal meaning system, Bontle's protracted struggle to actualise her conversion and 'emplot' her life into a meaningful Pentecostal project highlights the pre-eminence of structural ties in framing the setting in which religious agency takes place.

Besides breaking away from extended kin ties, Pentecostal converts were also overrepresented among a subgroup of entrepreneurs who repudiate old communal networks such as stokvel societies and clubs. For example, in our characterisation of the social capital profile of Lebogang in the last chapter, we noted that she was not a member of the ubiquitous stokvel because "there's too much gossiping targeting those who want to move forward." While this reason might be equally valid for a number of other entrepreneurs who had given up membership of stokvels, Lebogang mirrored the superciliousness with which Pentecostal

converts in general regarded communal organisations: “I cannot work in the community because of their mindset and their beliefs.” Specifically, she brushed aside entrepreneurs who are members of stokvels as follows: “They must break out of their small circles of gossip and stokvel friendships. They feel comfortable there but won’t grow beyond the spaza-shop mentality. They must go out there and meet new people who can motivate and help them.” As in the case of the breakdown of kin ties, the “cultural” reason resurfaces in the Pentecostal narrative framed in terms of a different “mindset and beliefs,” and prompting the convert to seek out and meet “new people.” This question is essentially part of a more general theoretical argument about how Pentecostalism may foster dramatic changes that demand to be seen as introducing real discontinuities into people’s lives (Maxwell, 1998; Robbins, 2003; Kileyesus, 2006; Chua, 2008).

New networks

As an aftermath of the structural break with past practices of family, friends and community, and the severing of the old social connections in favour of the new bonds of bazalwane, for many entrepreneurs conversion to Pentecostalism has meant the creation of new social ties and identities. Not only is church fellowship the new kinship, so to speak, the church becomes the fulcrum about which the convert’s new social and business networks turn. In fact, for many Pentecostals, church, family and social life are coterminous. Invariably born-again entrepreneurs echoed the view that the church is the bedrock of their social capital: “The church is the real core in my social life” (Sipho, the seasoned auto franchisee mentioned in the last chapter). “If I must tell you honestly, most of my social networks are also part of my spiritual circles” (Pitso, the hotelier). “Church is the biggest part of our social life. That’s where we socialise. Most of our fellow church members are educated, young professionals and those are the connections we use for our business,” said Odirile and husband, a young and sophisticated couple who had recently started a trucking business.

Thus, in contrast to their ZCC counterparts, born-again entrepreneurs found their congregations to be a prime source of bridging social capital. While sites of exclusive bonding ties par excellence, many Pentecostal churches provided a platform for business opportunities by mobilising urban networks of professional contacts and sources of financial assistance. It has been argued that more than entering a local community, joining a Pentecostal church often entails linking converts with a wider social network distinctive to Pentecostal circuits (Robbins, 2004:125). As shown in vignette 1, the church’s role as a

platform for the development of new social networks and direct provider of entrepreneurial and business-specific skills is unequivocal.

With the church at the centre, even the otherwise exclusivist and strong bonding ties that Pentecostal congregations are known for (Welch et al, 2004) assume a bridging character as converts rub shoulders with networks of professional and influential people (Wuthnow, 2002; Robbins, 2004; Kileyesus, 2006). Networking events and seminars like the one mentioned above featuring a former Miss South Africa and prominent businesswoman are regular occurrences at inner city congregations. This finding resonates with the literature elsewhere in Africa. For example, in the previously mentioned study of the associational patterns of small manufacturers in Nigeria, Meagher (2009) found that Pentecostal garment producers concentrated on building new networks through business contacts, religious connections, and the pursuit of direct access to formal institutional channels. Church-based links offered access to more productive and trustworthy labour, to business contacts that observed strict moral codes, and to flows of resources and information through regional and global Pentecostal networks (Meagher, 2009). In Asmara, Eritrea, prayer fellowships provide not only a sense of belonging and common purpose, but also material benefits such as employment opportunities and the exchange of goods and services (Kileyesus, 2006:84). Pentecostalism characteristically maintains a broad network through various media channels, including print material, conferences, seminars, and revival meetings. Its unique organization is “decentralized, segmentary, and reticulate, producing a web-like structure of personal connections that grant members the freedom to locate social support in new areas” (Robbins 2004:125).

The role of the church as the central node from where all the convert’s new networks radiate seems to be particularly salient in the case of township converts such as Thabang and Lebogang, who have cast off, or disembedded from their old bonding networks, including kin, friendship and communal ties. Schlemmer (2008) notes that the social capital of new black Pentecostals, i.e. community churches, is rather weak as they have less close personal friends and low levels of involvement in voluntary organisations. However, as was previously shown, this lack of “old” bonding social capital is overcompensated by the new church-facilitated connections, which confer them a social capital profile that approximates the “mostly bridging ties only” end of the continuum depicted in the last chapter.

In this light, Pentecostal converts benefit from what Wuthnow (2002:671) calls *status-bridging* social capital, that is, church-based networks that span vertical arrangements of power, influence, wealth, and prestige, which offer potential opportunities for linkages between rank and file members of society and elites. By meeting high-status people who are also members of the congregation or becoming acquainted with them through mutual friends at, or events organised by the congregation, Thabang and other converts with less influence are able to acquire influence and other resources through their connections with persons of higher status. Predictably, church “participation effects” are likely to vary according to size and location, with some disadvantages associated with belonging to a small congregation as far as these kinds of status-bridging social capital are concerned. In Wuthnow’s research, while members of small congregations appeared to be connected with elected officials about as much as members of larger congregations, they were less likely to say they have corporation executives, scientists, or wealthy people as friends (Wuthnow, 2002:681).

This structural handicap notwithstanding, even within the context of poor informal settlements and townships Pentecostal churches create new forms and expressions of social capital which strengthen life in the settlements and bring some measure of hope to their experience of faith and life. As Reverend Smith found in his research among Pentecostals in the slums of Nairobi, “this is not the social capital of the exile, the determined preservation of what has been and is threatened with loss. This is social capital for the journey of the sojourner whose aspiration is to find a place in the city even while there remains another place called home” (Smith, 2007:232). However, for all the significance of structural factors in the shedding of old social ties and the subsequent adoption and leveraging of new networks, ultimately Pentecostal conversion is about a complete break with the past, the rejection of all forms of traditional cultural and religious practices, and the resolute embrace of a modern *Weltanschauung*.

Cultural discontinuities and renewal

As was suggested in the previous section, the structural break with old kin and communal ties was largely precipitated by cultural discontinuities. The literature shows that conversion to Pentecostalism entails a fundamental break with the past. In Latin America, it carried with it a “cultural revolution, a turning point away from deeply ingrained traits of Latin American culture, such as those pertaining to the status of women, the education of children, habits of work and leisure, and a general heathenism” (Berger, 2008:6). In Africa, studies in Nigeria,

Eritrea, Tanzania and Zimbabwe show that Pentecostal conversion carries with it a strong rejection of all forms of traditional cultural and religious beliefs and practices such as magic, witchcraft, and sorcery (Marshall, 1995; Kileyesus, 2006; Chua, 2008; Maxwell, 1998). Making a complete break with the past is an essential aspect of the convert's religious identity. In South Africa research has shown that the observance of traditional practices is strong in all the theological types except Pentecostalism, which creates "a subculture in total discontinuity with the traditional" (Garner, 1998:172).

The Pentecostal "cultural revolution" has been found to provide practical and spiritual solutions to individual and social problems, contributing to "the creation of new identities and the articulation of strategies for survival and mobility," including entrepreneurship (Meagher, 2009:416). Droogers (2002) explores the notion of identity as being something defined by both roots and routes. Roots in the African context imply that desire to protect and retain one's cultural identity in a rapidly globalising world. Routes, on the other hand, represent a simultaneous process of people developing their own history and making strategic use of new opportunities.

The analysis of the conversion narratives of born-again entrepreneurs in the present study revealed that Pentecostal churches present such a route into a globalising and urbanising world providing people with an opportunity to reshape their identity. From an emic perspective, the experience of the cultural break was described by converts as affording them 'spiritual freedom' and 'spiritual enrichment,' as well as material prosperity, creating a new cognitive and normative framework that offers a modern worldview conducive to unleashing and supporting the believer's entrepreneurial impulses.

Spiritual freedom

Our discussion of social capital profiles and the trust paradox in the previous chapter flagged the import of the twin issue of prophecies and witchcraft beliefs among many of our research participants. It was hinted that the fear instilled by prophecies within ZCC congregations created a social-psychological environment of spiritual subjugation that contributed to the stifling of personal agency common among ZCC entrepreneurs. Indeed, a pet peeve among former ZCC believers was the stressful psychological experience of doubt, anxiety, and even social paralysis induced by the prophet's ominous predictions. Thabang, whose grandfather was a senior elder in the church, offers another gripping testimony:

The [ZCC] church is ritually driven by prophets. People are controlled by fear of the prophecies. I told my father once that if only that fear of the bad things prophesied could go away – because the fear is the only thing that keeps you in the church. For example, they tell you that somebody is going to bewitch you; this is going to happen to you; and for all these bad things not to happen to you, you must do such and such, like drink this water. (...) Psychologically they control you. This is what drove me out. They scared me to such an extent that I could not bear it any more. When I was 18, they said to me ‘you’ll see a scary animal that you haven’t seen before, and when you see it you’ll be alone and will go mad, insane.’ That struck so much fear in me that I didn’t want to stay alone at home (Thabang).

This finding resonates with the AIC literature, which highlights the use of prophetic insight by pastors in order to control believers and set a person against their neighbour (Smith, 2007). In fact, for many entrepreneurs, especially the young and educated, this, together with the idolisation of the church hierarchy, was one of the triggers for the decision to leave the ZCC and convert to born-again Christianity.

Whether the prophecies emanate from ZCC priests or sangomas, ultimately their phenomenological significance is predicated on traditional African cosmology in respect of ancestral spirits, sorcery and witchcraft beliefs. Witchcraft-related fears were particularly rife in township settings,³⁶ although traces of it had already surfaced among several entrepreneurs even in Pretoria during the course of my in-depth interviews. For example, Adonis, the previously mentioned owner of a black cosmetics company who moved from the township to Pretoria, openly admitted in a focus group session: “I *chameleonise* and blend discreetly in the local environment. I don’t want to be known or exposed for fear of being targeted by evil eyes and envious people.” Also, Bethuel³⁷, the highly educated owner of a business consulting firm and a preferred GEP service provider, referred to his fears of witchcraft following the adoption of corporate governance in his business, which resulted in a stricter management of family requests for assistance.

Bethuel: (After a long pause, pondering) Hmmm, I fear when such [distant] relatives make a request and I turn it down, or rather the request is not successful because of some procedures that I must follow and they may not approve of them.

Question: But what do you fear precisely?

³⁶ Moretele Radio – a 24/7 community radio service that is extremely popular among residents of Hammanskraal and surrounding areas – frequently features shows on traditional African beliefs and practices, including witchcraft.

³⁷ Bethuel has a postgraduate degree in economics from a Belgian University, and was the only business registered as a private company (PTY) as opposed to the simpler Close Corporation.

Bethuel: If they make a request and it's not successful, sometimes I feel that they may pounce back, you know, they may bewitch me, do some jealous things and destroy me. Yes, that comes in.

Anthropologists have long conceptualised witchcraft as an idiom through which other kinds of social realities are expressed. Most of the time, witchcraft is treated as an institution of social control, particularly with reference to the egalitarian norms of pre-colonial societies.

An extensive sociological and anthropological literature shows why egalitarian norms should be prevalent in traditional societies. In particular, egalitarian norms are closely associated with a worldview in which the fate of humans depends on supernatural forces and economic prosperity is a zero-sum game. So, economic success is attributable not to effort but to luck, with good luck for one person implying bad luck for someone else. According to this view, it is unfair for a successful individual to keep the fruits of that success to himself and accumulation, especially, will arouse feelings of envy and even hatred as it will be perceived as enriching oneself at the expense of others. Further, individuals who are continuously successful over several years and who do not allow others to share in their wealth, will attract suspicion as persistent 'luck' is not normal and may be attributable to the malicious manipulation of supernatural forces, i.e., to the use of witchcraft. They provoked the envy of their peers and would be socially penalised. Envy and beliefs in witchcraft thus fulfilled a useful function and contributed to the stability and cohesion of the community (see Platteau, 1996 and 2000; Monnig, 1967; Wild, 1997). However, under colonialism these feelings and beliefs lost their useful, integrative function. Enhanced economic opportunities on the one hand, and manifold social deprivations on the other created tensions which could no longer be controlled by traditional belief. "Envy and witchcraft ceased to contribute to the cohesion of the community and released their explosive energies" (Wild, 1997:133).

Of course, sorcery and witchcraft beliefs are still rampant in many rural areas of South Africa, especially in poor regions such as Limpopo, and among many township dwellers as well. In fact, there are claims that most South Africans believe in witchcraft and consider witches to be a mortal danger. Adam Ashforth (2005) in his book *Witchcraft, Violence, and Democracy in South Africa* examines how people in Soweto and other parts of post-apartheid South Africa manage their fear of 'evil forces' such as witchcraft. He develops a framework for understanding occult violence as a form of what he calls "spiritual insecurity" and documents new patterns of interpretation attributing agency to evil forces. As he puts it

cogently, “no one can understand life in Africa without understanding witchcraft and the related aspects of insecurity” (Ashforth, 2005: xiii). Arguing that spiritual insecurity is closely linked to other forms of insecurity (poverty, violence, political oppression and disease, nowadays especially AIDS), he illustrates that there is a “presumption of malice” underpinning township life, which is “in large part predicated on jealousy, and is motivated by complex relations of power operating alongside ‘traditional’ norms of reciprocity and kinship” (Ashforth, 2005:69).

In contemporary South Africa, the fear of witchcraft has escalated in tandem with the ravages of the AIDS pandemic. The death of young people who should be in the prime of life and the symptoms of the illnesses contracted by AIDS sufferers are commonly associated with “the malicious assaults of witches” (Ashforth, 2005:9). Moreover, witchcraft thrives in a place where recent socio-political transitions have differentiated the black middle classes from their poorer counterparts. In her study of post-apartheid Cape Town, anthropologist Besteman (2008) found that many lament that status, measured by consumption, has altered friendships and infected extended families. For some, democracy has brought a feeling of social dislocation, as “communities of mutual support and collective struggle break down into individual competition – for jobs, land, housing, and consumer goods” Besteman (2008:16). As result, accusations of witchcraft, apparently motivated by jealousy, are on the rise Besteman (2008).

It is beyond the scope of the present discussion to attempt a full treatment of the witchcraft literature, which is largely Eurocentric and dismissive of its existence in the first place. Incidentally, while expressing his own scepticism about witchcraft, Ashforth (2005:114) suggests that scholars enrich their analyses by treating witchcraft statements literally rather than metaphorically. In this light, I was intrigued by the potential impact of witchcraft-related fears on social capital, as it appeared to contribute to the widespread mistrust among black entrepreneurs. I therefore sought validation for Lesego’s assertion in the last chapter whereby “50 percent of the time we claim mistrust we are actually referring to fear of sorcery and witchcraft.” On the face of it, the anecdotal evidence appears to lend some support to the argument.

Witchcraft fears and mistrust

Lebogang’s mother, the founding pastor of the township church mentioned in vignette 3 above, was categorical: “the reason for mistrust is the scare-mongering by ZCC prophets.”

They keep believers on tenterhooks with predictions of all manner of bad things to be inflicted by those within one's own circles of close relationships such as kith and kin.

Thabang echoed the same argument, observing that prophets and sangomas overemphasise the need for "secrecy:"

They inculcate in you the idea that those closest to you and around you are your potential enemies. If you disclose everything about your business plans and intentions, they may come and sabotage you. So you cannot disclose to them any meaningful business information. They don't trust each other for fear of being bewitched. I can tell you, I was there; this fear grips you and makes you mistrust everyone, especially when money is involved in business deals (Thabang).

I was introduced to a teacher in Hammanskraal, who had started a small cattle farm business on the side. Upon sharing this fact with his principal, the latter proposed that the teacher sell a calf at a later stage so the principal could start a similar business himself. The teacher-turned-entrepreneur confessed that he walked away from the deal because he feared that the principal might engage the services of a sangoma to cast a spell on his business with the intention of ruining it. Likewise, the reader will recall from the last chapter that Kgomotso, the ZCC dress-maker from Hammanskraal, admitted that the main reason why she had avoided hiring much needed help is distrust associated with fear of jealousy and 'evil eye.' "If I hire someone, they'll think I'm making money and will wish evil on me. If I trust you, you are going to kill me!"

These accounts show that witchcraft beliefs undermine trust and drive a wedge between entrepreneurs, freezing them in a cycle of mistrust that detracts from building social bridges with potential business associates and partners. Thus, questions of trust, relations to fellow entrepreneurs, neighbours and the community in general might well be mediated by cosmological ideas and references (Chipkin and Ngqulunga, 2008). If life in a world with witches must be lived in the light of "a presumption of malice," then it is wise to seek protection against suffering being so caused (Ashforth, 2005). Accordingly, many entrepreneurs resort to extra-mundane institutions for support and guidance, while eschewing co-operation with potential business associates.

On the other hand, prophecy-related fears and witchcraft beliefs could detract from entrepreneurs' sense of personal agency. Since success and failure in life are dependent upon the relationship supposed to exist between a person and the spirits who control life, by explaining the failure of a human undertaking in terms of evil forces unleashed by envious fellow men and women, the onus is taken away from the individual. For example, the ZCC entrepreneur who closed his business for an entire month for consultations with prophets at

the church's headquarters in hopes of finding out who was sabotaging his construction business might frame very mundane business questions about loss and profit, income and expenditure, credit and debit in extra-mundane terms. Although this is comforting, it obscures the hard facts of economics and relieves the entrepreneur from the heavy burden of sole responsibility. It is, however, this feeling of sole responsibility which makes the ambitious and successful entrepreneur (Wild, 1997:156).

By contrast, Pentecostals are free from the "spiritual insecurity" associated with fear of prophecies, witchcraft and related traditional beliefs. While the role of formal religion in dealing with issues of witchcraft is well established (see, for example, Ashforth, 2005), Pentecostal entrepreneurs appear to be freer than most of their counterparts by virtue of the break with the cultural past. Lebogang is a case in point. When I first met her in August 2008, her garment and dress-making business had been idle for over a period of four months. She had experienced two failed black economic empowerment subcontracts to manufacture military shirts for export. Already during that first interview, long before the witchcraft narrative emerged in the wake of the mistrust theme, she was unequivocal in expressing her 'spiritual freedom:'

Business is not going well right now, and I'm waiting for a few things so that I can start work on a new tendering process. Eventually I'll make money. So I think that if you are locked in that mode of blaming someone for your problems, you can't be successful. With tradition, there's something to hold onto to blame, but in this free life that I'm living, I don't blame others (Lebogang).

Known among friends and fellow congregants as the 'preacher,' Thabang sounded a theological note: "I have not suffered from fear, depression or anxiety since I met the Lord in 2004. The misery of fear, depression and anxiety comes from lack of trust in the Lord." It was perhaps no coincidence that both Thabang and Lebogang, separately and unprompted, used exactly the same language to describe their spiritual fearlessness as Pentecostals: "*sega tthamela masisi*" (an intrepid individual who shows self-assured boldness).

To be sure, some commentators argue that Pentecostal conversion does not necessarily translate into a complete break with the cultural past. For example, Reverend Smith in his theological study of informal Pentecostal churches in the slums of Nairobi, Kenya, found that "within the context of engaging with traditional belief and cosmology, the existence of, say, ancestral spirits or the power of charms is not questioned" (Smith, 2007:166). In this respect, there is not a redrawing of worldviews. Instead what conversion appears to offer is "both the divine power and the moral obligation to be delivered from, and to defeat and to resist, those

forces which oppress the believer (Smith, 2007:166). Thus, while Roho churches (the Kenya equivalent of ZCC) “may assist the urban migrant to fulfil traditional obligations while exiled in the city, the informal Pentecostal church may seek to provide the power to resist” (Smith, 2007:167). Similarly, Birgit Meyer (2004) argues that the fact that Pentecostal churches affirm a negative, inversed image of traditional gods and spirits and allow for spirit possession in the context of deliverance pinpoints the extent to which Christianity and local religious traditions are interrelated. In a sense, Pentecostals’ ongoing concern with deliverance shows the very impossibility of their self-ascribed project to break with what Pentecostals discursively construct as the “forces of the past” (Meyer, 2004:457).

Few situations could have afforded this researcher a better opportunity to observe in real time the steadfastness of Lebogang’s cultural break with deep-seated traditional beliefs than a foreboding medical prognosis concerning her first and only grandchild. Confronted with persistent appeals and pressure from neighbours and well-wishers to seek the services of a sangoma, both Lebogang and her mother – the pastor referred to in vignette 3 – stood their ground and rejected such calls. Sadly the infant expired. This is a particularly knotty question and there is no way of adjudging whether Lebogang perceived the reality differently by virtue of a complete break with traditional beliefs or simply dealt with the old cosmological reality by “resisting” it. Although explicitly rejecting and denying the efficacy of traditional healing, Lebogang might still recognise its existence and past worth.³⁸ As Chua (2008) suggests in respect of Pentecostals in Tanzania, even if the past is never completely broken off, there is value in looking at the agency exercised in *trying* to change, which, on the face of it, appears to substantiate neo-Weberian voluntarism.

In any event, the sociologically relevant issue for our purposes is that the corollary of the spiritual freedom from the stronghold of witchcraft-related fears and anxiety is a heightened sense of thin or social trust, which, in the present case, provides individual entrepreneurs with the confidence they need to engage in instrumental action with people of diverse social, economic, and political backgrounds. Symptomatically, the few entrepreneurs involved in business partnerships were Pentecostals, with Thabang, as noted in vignette 4, owning a 50 percent stake in the construction business he started (one of only two formal business partnerships among my interviewees). Lebogang herself entered into an informal collaborative arrangement with two tuck shop owners in the township, the one for displaying

³⁸ The context of Lebogang’s cultural break is all the more remarkable considering that her late grandfather was a famous sangoma in Makapanstad, a small rural town outside Hammanskraal.

her products (mainly school uniforms and garments) and distributing business cards and leaflets, while the other actually sells the products from her container-based shop. “These are not friends. These are business associates,” she tells me, noting that her mother had “helped” one of them (i.e. exorcised evil spirits). On the face of it, this is a trivial illustration, but its significance becomes apparent when one considers the endemic eschewal of all manner of co-operation in similar cases, or even in the case of the highly educated Lesego who dodges any business collaboration with his IT friend, close pal, neighbour and fellow stokvel member.

In this connection, in his study of the economic potential of churches in Edendale, KwaZulu-Natal, Garner (2000) also observed low levels of co-operation, particularly in the townships, where people are slow to form joint commercial enterprises. Although his study did not mention witchcraft beliefs, according to Garner (2000), the dearth of co-operative enterprises such as savings associations or joint-purchase groups attests to the low level of trust in communities in South Africa. Of course, as we have shown in the previous chapter, there is an abundant supply of thick trust in communities, of which the ubiquitous stokvels are an epitome. However, trust among kin and communal networks degenerates into mistrust in the realm of business relationships, resulting in an acute deficit of co-operation among small black entrepreneurs. This is a phenomenon, we have argued, against which Pentecostal converts appear to be immunised.

Faith and social trust

The literature is ambivalent with respect to the role of religion in general, and Pentecostalism in particular, in shaping social trust. In this regard, the main point of contention revolves around the likelihood that the extent and rigidity of boundaries differentiating the congregation, the believer, and “the world” would substantially reduce social trust. Thus, following theories that identify liabilities associated with bonding social capital, members of those religious traditions that have formed their collective identities through the construction of strong symbolic boundaries between the religious in-group and surrounding out-groups are likely to display diminished trust in neighbours, co-workers, and people in general. For example, Wuthnow (1999) provides a cogent argument that conservative Protestants in the USA generate bonding social capital within the congregation, but he notes that this crowds out opportunities for bridging social capital that would link congregants to the wider community and society. Pentecostalism in particular, in view of the role of the indwelling of

the spirit, is known to create a further individualizing effect on the believer, with a likely negative impact on various forms of social trust (Welch et al, 2004:320). In contrast, Mainline Protestant denominations, owing to a less rigid boundary between the faithful and the “world,” have generally been viewed as exhibiting high levels of bridging social capital, especially as it is manifested in social outreach (e.g., Wuthnow and Evans 2002:319).

In a rare study focusing specifically on the link between social trust and religion in the USA, Welch et al (2004) found that although Pentecostals hold views about sin and the cultural boundary between the faithful and secular society that may reduce social trust, their evidence, most importantly, suggests that the “positive effect of social bonding within the conservative religious Pentecostal community actually overrides the negative effects that certain religious beliefs have on trust” (Welch et al. 2004:337). Pentecostals appear to be trusting and, moreover, willing to extend that trust to others (e.g. co-workers and neighbours) who are unlikely to be Pentecostals themselves. This conclusion seems to run directly counter to claims about the effect of conservative religion on social trust because these theories would predict that greater commitment to a conservative religious denomination would lead to even lower levels of bridging social capital and, presumably, lower social trust (Welch et al, 2004:337). In this regard, an ethnographic study of Pentecostals in an impoverished Malawian township suggests that it is “their particular spiritual orientation that provides the township’s Pentecostals with a basis for generalized trust, one that expands civility across the various social boundaries of a multi-ethnic township” (Englund, 2007:489). Trust emerges in other spheres of life as much as within the church itself. Whereas many entrepreneurs rely on relatives and ethnic compatriots for cooperation Pentecostals are often inclined to seek rapport with strangers (Englund, 2007:492-3).

If the ethnographic evidence of the present study is anything to go by, the elimination of witchcraft-related fears alone seems to unleash the potential for social trust among born-again entrepreneurs. These were found to edge out their ZCC colleagues and even highly educated members of Mainline Protestant denominations in township settings, whose cosmological ideas promote wholesale suspicion about humanity, friends, relatives, or neighbours, producing detrimental effects on business outreach and co-operation. In the Kwazulu-Natal study, while trust among Pentecostal church members per se was not exceptional, Garner (2000) concedes that Pentecostalism builds potential trust beyond church boundaries, if only among the exclusive community of the saved. According to Garner (2000:185), “the theological basis of trust places greater emphasis on the religious experience of conversion

and the spiritual sanction of conscience, than on social mechanisms.” In other words, trust is not dependent on long personal acquaintance, or expected reciprocity, but a shared set of beliefs and norms. Nevertheless, this type of trust between born-again Christians (“which can be idealised and exaggerated, but is real nevertheless) offers genuine potential for economic co-operation” Garner (2000:164). In the same vein, Schlemmer (2008) argues that black South African [Old Pentecostals] have large numbers of close friends within the church community and with this a relaxed, trusting and positive attitude to new acquaintances. In her study of the networks of small manufacturers in Nigeria, Meagher (2009:410) found that the Pentecostal movement tended to facilitate relations of trust and solidarity, not only among other sub-ethnic communities, but with members of other ethnic groups. Pentecostal movements tended to act as modernising forces, too, encouraging cultural renewal.

Spiritual enrichment

Along with the strong rejection of all forms of traditional cultural and religious practices, the Pentecostal converts that I interviewed have all adopted a modern cognitive and normative framework that rests on the pillar of self-empowerment through inner transformation and knowledge acquisition. Historically, these stem from Pentecostalism’s voluntaristic notion of religion insofar as an individual’s choice is concerned. Pentecostalism breaks with traditional religiosity by emphasising “rebirth” and conversion as an individual option. In traditional religiosity, there is no conversion. Religion is innate, not the result of personal choice (Mariz, 1996). As Berger puts it, nobody was born a Pentecostal but must voluntarily choose it on the basis of powerful conversion experiences, at least in the first generation (Berger, 2008a). Thus, the idea of being born again – that one could alter one’s situation by an inner transformation – was a very important possibility (Martin, 2008:17). Free from the oppression of evil prophecies and witchcraft-related fears, Pentecostal believers emphasised a personal choice of faith and the possibility of changing one’s course of life. Indeed, the appeal of Pentecostalism to its converts, especially young ones, seems to be based on its messages of self-empowerment and personal success and prosperity (Mariz, 1992; Kileyesus, 2006).

Self-empowerment: inner transformation and the pursuit of knowledge

Thabang expressed his experience of self-empowerment as follows:

“The reason why I went into business was because of my spiritual enrichment. When you go to church and the preacher teaches you about yourself, how capable you can be, how you can make it, that’s

when I took off; I resigned from my job and decided to start my own business with that mentality of 'I am a champion, I can make it.' And then when you get into this business world, you also realise that your approach, knowledge and vision make a difference." (Thabang)

As Schlemmer (2008) puts it, almost inadvertently, [their] faith gives them self-confidence. Mokwena, a pastor-cum-entrepreneur, offers a similar perspective. He was employed for many years as a superintendent in a long-haul bus company, and started his own transport business in 2000, offering intermediation services between miners and long distance bus companies. To this effect, he has a network of business scouts scattered around mining sites, including 5 full-time employees. In his late 50's, Mokwena became a born again in 1976, and was ordained pastor in 2007. "If you are born again," he notes, "you become yourself, because there are changes that will happen in your life; you have self-esteem, self-actualisation and those attributes that you didn't have before." Which attributes? I asked. Mokwena explains: "there's this sureness in you; you are sure of your capabilities; because you have been trained and have the know-how, and know what to do. Yes, the born-again is bold, but the boldness comes from knowing – not only knowledge of God's Word, but technical knowledge." Two key subthemes can be teased out here, namely inner transformation and the pride of place modern knowledge enjoys in Pentecostalism.

Inner transformation

The process of inner transformation was eloquently articulated by the pastor's sermon quoted in vignette 1 above. It implies discontinuity with the social and cultural "free radicals" of the past and the development of a new belief system based on the power of the Spirit and the Word. This is a church of "process miracles," the pastor noted, not quick fixes, emphasising the slow, systematic process of inner transformation. "Conceive the image on the inside! The belief system on the inside props up the outer projection of your success. Don't ask me to give you something on the outside that you are not willing to conceive on the inside!"

But as they unleash the entrepreneurial spirit in their bid to envision and attain success, born-again entrepreneurs were quick to emphasise that "we are taught not to rely on government hand-outs." Thabang produced his daily devotional and read out a relevant passage: "*We must not resign ourselves to always calling out for help and handouts from government or government representatives.*" In his sermon, the pastor in vignette 1 sounded a similar note: "Don't look to the government or other people for your supply." The same message echoed even in small community ministries, as the teacher-turned-preacher in vignette 2 complained: "the greatest challenge [in trying to win over souls] is that most people find it difficult to

decide for themselves; they depend too much on other people. You must initiate and start things by yourself.”

This notion of self-reliance contrasted with the attitude of entitlement apparent among so many small entrepreneurs. Beauty, the co-owner [with her husband] of a financial consultancy, lamented that “there is this sense of entitlement and dependence on the government to rescue them from their position. There isn’t a sense of personal responsibility that I have to make this work, instead there’s this mentality that ‘the government has to help me.’” As a service provider of GEP, Beauty has over the years been mentoring a number of small black businesses, and she reckons that this attitude, which is unheard of among Pentecostal entrepreneurs, is responsible for business stagnation and failure. This is consistent with the South African cultural environment, where there prevails a “sense of entitlement and an expectation that big business, government and others should create jobs, rather than that one can create one’s own employment” (Herrington et al, 2010:46). In this connection, sociologists have described the deficit of human agency within local communities as a serious asymmetry that constrains the bottom-up impetus for development in current South Africa³⁹ (Schlemmer, 2008). It then stands to reason that personal responsibility and individual agency should inhere in Pentecostal followers.

The voluntaristic notion of religion and the consequent understanding of transformation as an individual spiritual experience strengthen the Pentecostal individualistic orientation (Martin, 1990; Mariz, 1998; Garner, 2000; Smith, 2007; Berger, 2008). The believer’s reported personal experience with an external power at conversion is a confirmation of the belief in a personal access to a source of transcendent power. This experience of power engenders in turn in the believer, a “power relationship” manifested in risk-taking and a sense of control over personal destiny (Villafañe, 1993:147). Believers see themselves as individuals

³⁹ Influential social and political commentators have recently voiced out their concerns about the “entitlement culture” in very strong terms. “The relationship between citizens & the government has [since 1994] been defined in terms of the extent to which the government delivers [on election promises]. The resultant relationship is one of giver and recipient rather than citizen & representative. A giver/recipient relationship is a recipe for failure on all sides. A society of passive citizens waiting for delivery of services from government is a society at risk.” (Mamphela Ramphele, Sunday Times, Oct 25, 2009)

“The greatest mistake of the ANC government was to marginalise civil society. We had this notion when we became government that it was our right to deliver water and houses and jobs, and no one else’s.... One of the most damaging results of this arrogance was to create a culture of entitlement and dependence. We made people bystanders in their lives... We demobilised the society, removed the enormous energy we had in society about us being able to do things for ourselves.” (Jay Naidoo, Sunday Times, July 25, 2010)

responsible for their own welfare, with change depending solely on one's relationship to God. Consequently, in attributing greater autonomy and responsibility to the individual, Pentecostalism reaffirms the concept of the modern individual who creates his or her own destiny through choices and reflection.

Thus, in its emphasis on individual choice for freedom, Pentecostalism to a certain degree helps to create a rational individual (Martin, 1990; Mariz, 1992). Another social consequence of Pentecostal voluntarism is the very idea of entrepreneurship. As Martin noted in a recent study on the social impact of Pentecostalism in South Africa, there was a symbolic relationship between voluntary international entrepreneurship in the field of religion, i.e. the idea that one could go around and collect one's followers in order to create a voluntary spiritual brotherhood against an involuntary national or tribal community, and entrepreneurship on an international scale in the sphere of economics (Martin, 2008:18). Indeed, entrepreneurship is a central feature of these churches. This is noticeable in three areas – the churches themselves have usually come about through a considerable amount of entrepreneurship, there are many entrepreneurs in their membership, and skills training in entrepreneurship features as the most important single intervention after addressing issues relating to HIV and AIDS. (Schlemmer, 2008:33). In sum, the individual's choice is the key to all personal or social transformation. This belief breaks with the traditional worldview and communitarian identity while increasing individual responsibility (Martin, 1990; Mariz, 1998; Berger, 2008).

Modern knowledge

If the infusion of values of individualism, self-reliance and personal initiative are central to Pentecostal self-empowerment, the embrace of modern knowledge becomes one of the signature traits of the convert, representing a key element in the believer's exposure to 'modernising' experiences. Pentecostalism's project of inner transformation not only expresses individual agency, but also reinforces its resolutely modern character by encouraging educational attainment and knowledge (Garner, 2000; Kileyesus, 2006; Meagher, 2009). In fact, the argument could be made that basic knowledge, at least literacy, is a doctrinal imperative of Pentecostalism insofar as it emphasises the use of the word, reading and studying the bible, underscoring the intellectual systematisation of the faith (Mariz, 1998; Garner, 2000). Local Pentecostal congregations are known to train their members in a variety of different practical skills (e.g. analysis, presentation, persuasion)

through study groups and evangelism, with positive “externalities” for the careers of the congregants (Garner, 2000). Some congregations run programmes tailored for the specific needs of entrepreneurs and businesspeople. Peter Berger describes his visit to a local mega-church on a Sunday morning and being struck by a brochure advertising a business school operated by the church: “Clearly this was not intended to give out MBAs for individuals hoping for a career in a multinational corporation. But the courses listed were evidently suitable for grassroots entrepreneurs: how to keep accounts, plan marketing, pay taxes” (Berger, 2008:14).

In corroboration of the above, the present study found Pentecostal churches to be a prime mover of entrepreneurship development, by offering a platform that caters for the business and entrepreneurial needs of individual congregants, including facilitation and direct provision of specific skills. For example, Thabang described his church’s business outreach as follows:

“Towards the end of the service, those who are in business (or potential entrepreneurs) are requested to remain behind and participate in counselling sessions and seminars designed to prepare you for the business world, for the world of money. In one of these sessions, the guest speaker (an MBA) advised us to join a variety of generalist and industry-specific business organisations. For example, in my sector [construction] we were advised to develop close working relationships with big contractors, to go out there on site and talk to supervisors, meet the owners, and try to find a mentor. As a result of that seminar, I went on to register with the National House Builders Regulation Council (NHBR) and the Construction Industry Development Board (CIDB)” (Thabang, proudly showing off the respective membership certificates).

Born-again entrepreneurs in general placed a high premium on knowledge acquisition to further their business planning and managerial skills. For example, apparently referring to his ZCC friend and fellow entrepreneur, Thabang ascribed the Pentecostal “advantage” to knowledge:

Thabang: The other person doesn’t have the knowledge. He’s living from hand to mouth. He doesn’t have long-term goals. We can be at the same position like now, but he’s not looking for growth. He can even get a R1 million project, but that money doesn’t translate into growth.

Julio: Why is that so?

Thabang: The reason is knowledge. Mainly they don’t empower themselves in terms of knowledge. Our church motivates and guides you around certain things, and you learn to build up from a little base, and grow and grow.

By the same token, Mokwena, the pastor-cum-entrepreneur, exalted modernity and squarely singled out knowledge as the “explanation” for the born-again “advantage.”

You know what, the difference between the born-gain entrepreneur and the other is that the born-again is trained to manage his time; the born-again is trained to manage his resources; he’s trained to manage whatever he’s doing – spiritually trained and otherwise, because training requires learning. The other one believes that if he throws a bone it’ll tell his fortunes. Bones can never tell your fortune. What tells your fortune is the know-how. The one depends on ancestral protection, which will never occur, of course. I’m sorry to say that, but it won’t occur. The other one believes that there is this power that makes me see things clearer, and that for me to get there I must have knowledge. And how do I get knowledge? I must be trained. That’s why they [the born-again entrepreneurs] become more illuminated. That’s the difference. There’s no other way to explain the differences (Mokwena, pastor and entrepreneur).

In a similar vein, Lebogang related her frustration with fellow participants at a GEP workshop on government tender procedures, complaining that “instead of acknowledging their skills deficit, everyone who raised their hands to tell about their problems had someone to blame.” She explains:

Somebody at the office is not treating you well; somebody at the bank is not treating you well. No, they don’t “treat” you well because you don’t know what you want from them. You don’t have information about what you are doing. For example, they go to the bank and ask for money, but if asked questions, they can’t answer even one. So, at the end of the day I have to blame that person who asked for my business plan. But I don’t know what a business plan is. I think we have to be trained. According to my understanding, white people are successful in their business because they plan, they do marketing planning, financial planning, labour planning (Lebogang).

A Sunday service that I attended at the church mentioned in vignette 1 dealt with life skills necessary to achieve individual prosperity. Entitled *A Recipe for Prosperity and Generosity*, the sermon provided a preview of a financial stewardship workshop which the church was going to offer for free at a later stage. Some highlights of the recipe included:

- 1) The first 10% of your income is for God (tithe);
- 2) Have a written monthly plan (a budget) to achieve prosperity and generosity;
- 3) Accumulate little by little (save) and make it grow.
- 4) Be faithful with little (keep records), and make it a point to spend at least 2 hours a month reviewing your budget (where the money went).
- 5) Buy things within your means.
- 6) Be content (avoid debt).

Whereas the Pentecostal emphasis on the word and the study and systemisation of the faith encourage attitudes and abilities that are useful to people in general in modern capitalist societies, the principles enunciated in the aforementioned *recipe for prosperity* and the practical skills necessary to implement them are directly relevant to, and readily actionable

by, small entrepreneurs. And if we consider the highly ritualised context in which the knowledge and skills are imparted, legitimated by references to relevant scriptures, it becomes obvious that the Pentecostal entrepreneur has the edge, especially over their ZCC counterparts. As an illustration, let us consider in passing the mundane issue of personal use of business funds.

There is a plethora of evidence in the entrepreneurship and small business literature indicating that, *ceteris paribus*, lack of basic skills in business management in general and financial management in particular, constitutes a major hindrance in the development and growth of black business start-ups. According to Venter and Neuland (2005:438), 90 percent of small, medium and micro enterprises (SMMEs) in Africa go out of business within the first two years of operation; in particular, personal use of business funds has been identified as one of the main reasons why SMMEs fail. Indeed, a pet peeve of the SMMEs coaches, accountants and development agencies that I interviewed is the use of business funds for private ends. For example, Marks Lesese, the senior business advisor with the Gauteng Enterprise Propeller, acknowledged that assessments show that most of their clients take business funds for personal use. “Guys will buy groceries from their business account,” he observes; “and if you look at any account entry, you will find that it is not reflected because in the first instance it has not been allocated whether it is an expense item for the business or a personal outlay.”

While the majority of study participants categorically stated that they never use business funds for personal ends, a respectable 41 percent (N= 30) acknowledged doing so either often or occasionally. Perhaps not coincidentally, it was interesting to note that the first group denoted a predominance of Pentecostal entrepreneurs and those businesses with basic management systems in place (e.g., entrepreneurs who pay themselves a salary and keep separate personal and business accounts), whereas no born-again entrepreneur belonged to the latter group. This was dominated by ZCC entrepreneurs and members of mainline churches. Of course, this observation must be qualified and interpreted in conjunction with the Pentecostal disembeddedness from extended family networks and the resultant “exemption” from kin commensalism.

Although genuine weaknesses in, and lack of knowledge of basic business management remain an issue for small black start-ups, this researcher was flabbergasted by the multiplicity of cases where despite their possessing the requisite knowledge and skills, entrepreneurs

flouted basic financial management rules. The evidence suggests that by and large this is done in order to accommodate cash outlays associated with categorical imperatives of extended kin obligations, from which the bazalwane are “exempt.” As Lesego puts it, “business expertise is knowledge but these pressures [kin obligations] are issues of the heart. Issues of the heart override issues of knowledge!”

This caveat notwithstanding, it is undeniable that a combination of the embrace of what Berger (2008:11) dubs “the intrinsic features of modernity” by Pentecostalism (e.g. the rational mindsets and behaviour patterns without which modern science, technology, and bureaucratic administration cannot exist), along with the multitude of church-based or sponsored skills training programmes and tools targeting both personal and business finance of believers, place Pentecostal entrepreneurs in a superior position to manage their businesses more efficiently. After all, securing the successful financial management of one’s personal and business affairs is about acting out the promise of perfect provision and prosperity.

Individual prosperity and social mobility

Another distinctive marker of Pentecostalism’s modernity project was the aggressive pursuit of prosperity, which ultimately is the upshot of self-empowerment through inner transformation and modern knowledge. However, in a major cultural shift from communal understandings of prosperity such as those espoused by the ZCC, Pentecostal churches, which foster an aggressive entrepreneurial spirit in their evangelistic enterprises, promote material prosperity understood in individual terms (Berger, 2008a; Martin, 2008). Indeed, emblematic of Pentecostalism’s embrace of modernity, personal success and prosperity were systematically preached with fervour at most services I attended in inner city churches. Self-evidently, a prerequisite for the successful pursuit of prosperity is the relentless combat against poverty. In effect, as the pastor quoted in vignette 1 put it, the inner transformation enterprise itself is premised on the need to transform the “poverty mindset.” In this combat, “bold, aggressive faith” is deployed in a ritualised fashion, as can be elicited from the following passage:

“Poverty is a curse that God does not condone because God ain’t poor. You are more likely to fall to the temptations of the Devil when you are poor. That’s why God wants you to be blessed with material things. God’s will is abundance. You must fight poverty with all the strength you can muster inside of you. Poverty is an **aggressive evil spirit** [my emphasis] that must be countered by bold, aggressive faith. You have to be aggressive to tackle poverty.” (Leader and principal pastor at inner city congregation)

The demonization of poverty, e.g. *aggressive evil spirit*, or when the Pastor leads the congregation in a prayer – *Lord, the spirit of poverty has to move out of my way. I refuse to allow the spirit of lack to take hold of my household* – evokes a sense of preservation of African spiritual ontology, which enables Pentecostalism to avail itself of locally meaningful idioms for “talking about the past and current social problems” (Robbins, 2004:129). Lebogang denoted the same ritual engagement with demonic spirits: “... I used to tell my mother that if we stay poor, the chances of going to Heaven are slim. Poverty is a big demon.” By resorting to spiritual language that is locally comprehensible, poverty can allegorically be construed as an epitome of the broader cultural past that Pentecostals are known to crusade against. In this regard, poverty becomes an evil spirit that must be fought fiercely on the same terms as witchcraft and all the demonic entities that constrain the full development of a person (Roca, 2007). In other words, the battle against the “poverty mindset,” a prerequisite for the spirit of prosperity to triumph, takes the shape of the struggle between the divine and the demonic.

With sin and demonic influences pneumatologically framed as the cause of poverty and illness, it follows that wealth and health are the believer’s due. A significant number of Pentecostals believe that their faith will lead to better health, more money and worldly possessions, and a much happier and joyous lifestyle. Mokwena, the pastor-cum-entrepreneur extolled the Pentecostal pursuit of prosperity as follows: “God wants you to be excited about the dream of success because you were created for success and the good life. If you are born again you believe that whatever effort you undertake, it ends in a good result. You don’t think failure, you think success.” And then, as if trying to take the edge off the statement, he added: “The richer you are, the better you can serve the community.” Of course, Pentecostals are not exactly known for their high regard for community obligations (Maxwell, 1998; Smith, 2007). “Bazalwane are after money only” – this was the view expressed by Kgomotso and fellow ZCC entrepreneurs.

Indeed, money, as a metaphor for material success and prosperity, was central to the ritual practice of the church described in vignette 1, as illustrated by the five different types of financial offerings exacted from believers during the service, viz. tithe; offering; benevolence; building fund; and the pastor’s love offering. Likewise, after leading the congregation in a prayer for prosperity, the Pastor made no bones about the centrality of money in the church’s life: “The Bible says money answers all things! If truth be told, all the

problems that many of you are facing right now are money-related... In the name of Jesus we command money to come to your homes.”

Characterised as a neo-charismatic and neo-Pentecostal doctrinal innovation of the so-called Faith or Health and Wealth movement, the prosperity gospel offers a doctrine of “morally controlled materialism,” with physical health and personal wealth and success on earth being evidence of God’s blessing on those who lead a “true life in Christ” (Coleman, 2000; Kileyesus, 2006:84). Based on Abrahamic covenant (a blessing that in the Old Testament was promised to a particular people is said to be extended to all through the atonement of Christ), the prosperity gospel holds that as a born-again Christian, “the believer is a possessor of faith, and learns to draw upon new-found power not only through obedience to God, but also through specific acts that draw divine influence into the world” (Hollinger, cited in Coleman, 2000:28). Furthermore, the prosperity gospel valorises and sanctifies risk-taking and entrepreneurship (Coleman 2000:195), creating a strong sense of individual agency. The following passage from the sermon in reference is instructive in this regard:

“You want some car? Conceive the image on the inside! You want some house? Conceive the image on the inside! The belief system on the inside props up the outer projection of your success.... If your tongue speaks poverty, lack, want, or sickness, that’s the way your life will be. But if you speak health, wealth, success, and abundance, that’s what you’ll also have in your life... Meaning you can build your life with your tongue; your tongue will produce for you a harvest of what you say, good or bad... It means you have control over your own life. Nobody else can steer your life in a direction you don’t want it to go, except if you let them.” (Leader and principal pastor at inner city congregation)

In this quotation we see the cardinal role of words in conceptualising and prefiguring specific desired outcomes. Known as ‘positive confession,’ i.e. a statement that lays claim to God’s provisions and promises in the present, and paraphrased as ‘what you say is what you get,’ a clear implication of this theological teaching is that words spoken ‘in faith’ are regarded as “objectifications of reality, establishing palpable connections between human will and the external world” (Coleman, 2000:28). If you can build your life with your tongue, then you have agentic control over your own life. Thus, emphases on both personal empowerment and the unlimited capacities of objectified language likely reinforce each other when a born-again entrepreneur uses words to create desired effects in the self.

Of course, the teachings of prosperity gospel have been criticised for going well beyond spiritual reward, particularly for their “magical” approach to wealth and heavy emphasis on tithing. The promise that God will reward tithing and other practices with even greater material returns reflects a magical approach to generation of wealth and even sanctifies consumerist desires and material aspirations (Robbins, 2004:137). For the Comaroffs, this

ritual of prosperity seems to mimic ‘Millennial Capitalism,’ the ‘casino economy’ of globalisation, in which money does not come as a result of the Protestant ethic of hard work, but out of an immediate lucky strike (Comaroff and Comaroff, 2000). To be sure, as Berger reminds us, critics of the prosperity gospel tend to be leftist commentators who couch their criticism in an overall anti-capitalist rhetoric: the prosperity gospel is supposed to be part and parcel of a pro-capitalist ideology, seeking to dupe the poor of the global south into accepting the wicked policies of “neo-liberalism” (Berger, 2008b:14). While any reinterpretation of Christianity in terms of an emphasis on a this-worldly agenda (whether individual as in the prosperity gospel, or by the way, collective as the liberation theology), is a materialist distortion, there was no “theological warrant to propose that God wants us to be poor, any more than He wants us to be sick” (Berger, 2008b:14).

The analysis of the conversion narratives reveals a more nuanced, if mixed, picture. For example, Thabang’s description of his conversion experience suggests that he might have been driven as much by the allure of prosperity as by the desire for spiritual liberation. On the one hand, he was drawn in by the prosperity message of a public preacher on a train while travelling to Pretoria to attend his law classes at UNISA. “The pastor was preaching that we are not powerless victims but powerful victors,” he recounted. “Anything you want, you can get it. Prosperity is within your reach.” On the other hand, as noted before, by his own account it was the paralysing fear of the ominous prophecies by ZCC priests that triggered his conversion: “This is what drove me out. They scared me to such an extent that I could not bear it anymore.” Still, on a different occasion, as I wondered whether tithing had any impact on his business or personal budget, he seemed to tilt back towards the prosperity argument:

“Not at all! As a born-again Christian, I must abide by God’s law. First, I gave my heart to the Lord. Second, I give to my church. We believe that giving is **the doorway to prosperity** (emphasis added). This is not something I must decide or think about each time I receive a payment from my projects. I’m prepared for it. In fact, the 10 percent for the church instilled in me a sense of planning and budgeting.” (Thabang)

In the words of Mokwena, the pastor-cum-entrepreneur, the tithes are not a passport to prosperity: “God does not promise to transform poor believers into rich people, just because they pay the tithes. What He promises, is: *Never will I leave you: never will I forsake you.*” Of course, for our purposes the lifestyle implications of tithing are more significant than its theological underpinnings. As Thabang acknowledged, through the financial discipline that tithing requires he learned to budget income and expenditure effectively, a critical skill for his business. This is borne out by the two local studies previously reviewed, which strongly

suggest that tithing acts as a spur to deferred gratification, financial planning and discipline in handling family and personal finances (Garner, 1998; 2000; Schlemmer, 2008). Also, the literature shows evidence that tithing may replace such vices as gambling, alcohol and tobacco, non-productive consumption and investment (Smilde, 2007; Brenneman, 2009).

Although Pentecostal conversion is a goal-oriented process, it does not seem to issue from purely strategic, means-ends calculation. No one adopts a religion only in order to survive better or obtain material advantages (Mariz, 1998). As Smilde (2007:146) has shown for Venezuela, evangelical Christianity offers sets of narratives that allow converts “to emplot their lives into a meaningful project at crucial moments of confusion and crisis. In this plot, God is the primary agent,” saving or rescuing people who surrender their selfhood to Him. According to Smilde (2007:139), “the Evangelical meaning system provides a comprehensive set of metaphors that portray the world in such a way that the this-worldly effects of religious beliefs are understandable through religious ideas.” In other words, the decision to convert is above all a moral undertaking, an attempt to reconstruct self in direct relation to the sacred. Obviously, positive material and social consequences may follow from this undertaking, but they serve primarily to validate the religious system post facto. As David Martin (cited in Smilde, 2007:140) argues in an article on Evangelicalism and entrepreneurship, “People don’t convert for economic gains. But when they come they are happy to thank the Lord for His blessings.” In this connection, for all its emphases on money and material success Pentecostalism is not a religion of money, or ‘money fetishism’, a religion that says that money is God; to the contrary it says that God can also be found in money – that money ultimately belongs to God, and not the other way around (Roca, 2007:332).

While educated urban Pentecostals have formed a particularly responsive audience to the prosperity gospel, its teachings have also percolated into less-advantaged groups in township settings who have maintained aspirations for personal forms of transformation and empowerment. They, too, strove for economic success, as encapsulated in Lebogang’s statement in this very chapter’s epigraph: “In church we used to sing a hymn – *as much as the Devil tries to stop us, to Heaven we’ll go*. But I used to tell my mother that if we stay poor, the chances of going to Heaven are slim. Poverty is a big demon” (Lebogang). The mantra of Lebogang’s own ministry is suggestive: “nothing is impossible; we can change our lives.” But she complained that the biggest challenge facing the ministry was that “people don’t believe in big things. They don’t believe that you can start your own business, and that the business can grow beyond your street corner spaza shop.” At the end of each service

Lebogang would address the youth with motivational talk on personal progress and prosperity-related themes.

Although the mega-churches and ministries in the city have a direct impact on the emerging ministries of churches in the township as local pastors seek to replicate the style and message of the mega church, the message of township churches generally was not as cruelly expressed as some of the more blatant forms of prosperity theology preached in the inner city. In fact, as illustrated in vignette 3, the township services I attended appeared to be engrossed with epic battles against the various manifestations of witchcraft-related cases. These tended to drown out Lebogang's prosperity discourse, likely a doctrinal carryover from her days of worship at the city mega-church where she converted.

By the same token, Bontle's story, the previously alluded to owner of the day-care centre who found her born-again mojo back after the passing of her ZCC grandmother, seemed to corroborate this trend. While active at the township ministry, she was contemplating going back to worship at the inner-city church where she converted, despite the logistical hang-ups involved. "Here they don't talk about prosperity or business," she noted, adding that "there are too many evil spirits floating around here, so the church has to deal with many cases of witchcraft." Thus, small township ministries in Tshwane seem to be more concerned with staging spiritual battles to get rid of these evil spirits of everyday life that limit the autonomy of individuals, sucking the energy out of their bodies (Roca, 2007). This is consistent with Englund's (2007) findings in the Malawian township, where security rather than prosperity is the main preoccupation among Pentecostals. "It is the security provided by the name of Jesus against misfortune, hunger and disease that attracts newcomers, many of whom have previously sought security through the medicines of healers categorically condemned once the second birth has taken place" (Englund, 2007:487).

The fact remains, however, that the prosperity-oriented churches encourage accumulation, individualism, and entrepreneurship in a way that appears to give Pentecostal entrepreneurs a competitive edge. As Berger puts it, "the purveyors of the prosperity gospel are intentional Weberians: They consciously intend the [socio-economic] consequences that earlier Protestants brought about unintentionally" (Berger, 2008b:15). Symptomatically, just as Thabang went into business because of what he termed "spiritual enrichment," Lebogang, Celia (the teacher-turned-preacher) in vignette 2 above, and many of the Pentecostal entrepreneurs I interviewed also launched their own business ventures following the

conversion experience. The belief that God will bless you if you “go out” in faith seems to produce an environment that valorises and sanctifies entrepreneurial risk-taking, creating a strong sense of personal agency (Villafañe, 1993; Coleman, 2000; Garner, 2000; Schlemmer, 2008).

The empirical literature shows that Pentecostalism exerts a magnetic attraction to individuals who seek social and economic mobility and wish to be independent and successful (Kileyesus, 2006:79). In several ways, the process of indoctrination and resocialization makes born-again persons more industrious and more socially mobile than many of their “unsaved” counterparts. More importantly, Pentecostalism has been found to provide tools for confronting poverty and a framework for ordinary Africans to achieve social mobility (Mariz, 1996; Maxwell, 1998). The pastor’s aggressive pleas in vignette 1 could not be more illustrative: “The environment is messing you up, preventing you from conceiving the vision on the inside. You must get out from the place that reminds you of your failure! Go and look for what the future can be!” In this regard, it has been argued that among black South Africans, the Pentecostal churches are the only major religious grouping in which congregants have significantly broken through into the more advanced lifestyle, positioning themselves as role models of social progress (Schlemmer, 2008). Unsurprisingly, as Garner (2000:184) found in his Kwazulu-Natal study, Pentecostals evidenced the strongest legitimization of capitalism, the market and of individualism, in stark contrast with ZCC communalism.

As previously observed, the catatonic state of Kgomotso’s business enterprise is a case in point: “I have to share my [business] money with others. This is what has been holding me back for the last 20 years.” The reader will recall that earlier in our characterisation of her social networks, she was quick to juxtapose derisively the “Bazalwane love for money” and the ZCC communalism: “ZCC members are not after money. Serving the family and the community is more important than money.” As a Sepedi (Northern Sotho) saying dictates: *Feta kgomo o tshware motho*, i.e. “if and when one is faced with a decisive choice between wealth and the preservation of the life of another human being, then one should opt for the preservation of life” (Ramose, cited in Louw, 2001). To be sure, for most ZCC congregations, the issue is survival, not prosperity, and economic success is treated with scepticism. Garner (2000:73) cites Mohr’s discussions with economically ambitious young Zionists in the Durban township of KwaMashu suggesting that it is necessary to leave a ZCC church to really get ahead as material success is considered irrelevant, or even harmful to

spiritual health. If a ZCC member is successful, and earns any “surplus” to subsistence needs, they are expected to share the material benefits with other members, not to accumulate.

Indeed, ZCC churches do not subscribe to the doctrine that individual prosperity is a goal to be pursued. They seek to “guarantee individual economic empowerment by promoting the economic empowerment of the entire community” (Oosthuizen, 1997:16). As was mentioned previously, given their understanding of the merits of communal prosperity, the attempts of many ZCC members to lift themselves out of poverty are initially based on mutual support, viz. church-sponsored stokvels. The challenge comes when individuals want loans bigger than the group can provide. The shock of moving from a community of mutual support – strong in bonding social capital – to the strict lending policies of banks or micro-finance institutions, even if the interest of the latter is no higher than the group’s, is too much for many. The situation demands the development of a theology more supportive of individual entrepreneurship, such as the prosperity gospel of some of the Pentecostal churches portrayed in the present discussion. Thus, given the ZCC disregard for individual prosperity, which results in partial criticisms of capitalist cultural models of individualism and accumulation, it can be argued that the understanding of business rights on the part of small ZCC entrepreneurs is weak (Wijsen, 1995; Oosthuizen, 1997; Garner, 1998; 2000).

Let us recapitulate what we have covered so far in this chapter in order to reset our sights on the goals to be achieved. We began with an ethnographic exploration of some of the core aspects of the spiritual experience of Pentecostal conversion among small black entrepreneurs. Our conversation was heuristically organised along two main strands, viz. the socio-structural and the cultural break with the past and the concomitant processes of renewal that take place in the converts’ lives, respectively. First, we highlighted the process of structural disembedding. With old kin and communal networks dissolved, believers break away from longstanding practices of community, family, and friends, and the church becomes the centre of the convert’s spiritual and social world. We then turned to the quintessential cultural shake-up inherent in the Pentecostal package, underpinned by spiritual liberation and the promise of material betterment. Delivered from the constraining fear of the evil spirits of everyday life, born-again embark on a self-empowering journey of inner transformation that unleashes personal agency, builds self-confidence and self-reliance, and thereby encourages risk-taking in the pursuit of the Pentecostal promise. In the immediately preceding discussion we dwelt on the prosperity agenda that undergirds a considerable and influential segment of the Pentecostal movement. The experience of renewal, which

explicitly rejects old cultural valuations and puts a premium on the acquisition of modern knowledge, means that a discontinuity occurs in people's consciousness, with believers undergoing a profound change of worldview. While these structural and cultural discontinuities have been shown to generate positive externalities for small black entrepreneurs, as might be expected born-again have endured considerable social costs as well. We examine these remaining two tasks next, starting with the latter.

Social Backlash⁴⁰

It becomes apparent from our discussion that the Bazalwane have attracted a great deal of hostility and a torrent of vituperations from many quarters. Essentially, the cultural discontinuities inherent in the Pentecostal project are at the root of the backlash, with its depth and severity being felt more widely in township settings, particularly among those entrepreneurs whose families were ZCC members or followers of traditional African religion. The rejection of ancestor rituals was clearly the main cause of rifts in extended families, whereas a combination of the perceived one-upmanship implicit in the proselytising mission and the Pentecostal embrace of Western modernity accounted for the backlash at the community level.

Lebogang's family story and Thabang's heart-rending account in vignette 4 above illustrate the estrangement and breakdown of extended family ties in the aftermath of their conversion. "They told me that I've abandoned my ancestors. They believe that I cannot and would not be successful without the ancestors. (...) They are angry! Very angry! They cut us off because they know we are out of that [ancestor cult]," said Lebogang. This researcher had the opportunity to witness firsthand a poignant example of this blowback. As was mentioned in the last chapter, cut off from extended family networks and not a member of local societies, Lebogang struggled to find emotional and material support to bury her 7-month old granddaughter. Similarly, Thabang's alienation from the traditional values of his family cost him their love and affection: "(...) considering that they had educated me into the traditional African religion, I'm a threat that undermines their cultural traditions." The fact that Lebogang and Thabang's families are fervent followers of traditional African religion and prominent members of the ZCC, respectively, perhaps explains the degree of animosity involved in the fallout. None the less, even Celia [in vignette 3] above experienced alienation

⁴⁰ I am indebted to Jacques De Wet from UCT's Sociology Department, who suggested that I investigate the social costs associated with Pentecostal conversion.

from the family who “ganged up” against her, a pattern that is consistent with reports of the considerable conflict created by Pentecostal conversion in South Africa (Schlemmer, 2008). Elsewhere, Smilde (2005:776) observed that evangelical conversion in Venezuela may be considered an “embarrassment, a rebuke, or simply a loss” by the convert’s family, with fervent religious beliefs and rigorous adherence to ethical standards being commonly distrusted.

Undoubtedly, proselytising was a major source of backlash in the community. The indictment of born-again Christians for their peremptory disregard of other faiths was a persistent theme among both entrepreneurs and my community informants at large. For example, a pet hate for a ZCC operator was that “the Bazalwane criticise members of other churches as if they know better.” The tendency of born-again to grandstand their spirituality reinforces the popular perception of Pentecostal one-upmanship. Of course, like any born-again worth their salt, Thabang is involved in aggressive evangelising, enduring all manner of billingsgate. Pentecostal churches attach paramount importance to evangelisation, encouraging all members to act as evangelists working to convert others (Robbins, 2004). Thabang shared a riveting account of his proselytising travails in the ZCC-dominated community, which read as spiritually loaded duels tinged with political undertones. These are worthy to be quoted at length, given the sheer venomousness of the blowback:

‘You Bazalwane think you are the ones who are holy, but you are not holy at all.’ They symbolise God as a person who came with white people. In retaliation, they say ‘you want to pray like the white people. You pray to Jesus and to the whites. You are praying to this white person that you don’t even know. It’s better for me to pray to the one that I know – *Lekgannyane* [the Bishop in Moria]. He’s an African. What’s the problem with that? At least I’m praying to the person that I know and can see. You come here and tell us about Jesus. Do you know Jesus yourself? Jesus is a white man. So, go and pray to that white man alone and I’ll pray to a black person because I’m black.’ Then they ask me ‘who wrote that Bible?’ By the way, these are old people, and even ZCC priests have used those words with me. They think that the Bible attacks their culture as black people. They say ‘look, the Bible says do not steal. But it only came after the Boers stole the land and the cattle from our fathers.’ They say ‘you go and tell those Boers to bring back our wealth, and then we won’t steal. They are the ones who wrote that Bible, and then they say do not steal. Why did they write it after taking our land?’ [It’s like it’s acceptable to steal] It’s this kind of philosophy that they throw at us. The social agitation in the community is very strong. I’m telling you, come Sunday, that’s when you realise that everybody is coming out in their colours. They put on their regalia, and will proudly sing their hearts out along the streets. And the most painful thing is that when you see a person worshipping wholeheartedly but not doing the right thing, it’s like a person putting investments in the wrong place (Thabang).⁴¹

The other general source of community backlash was the Pentecostals’ modern worldview, which gives them a normative vision of social life and human flourishing that is distinctly

⁴¹ Lest the reader discounts the intellectual underpinnings and resonance of such tirades, during a recent talk given by a philosophy lecturer at UNISA entitled “White Man, you are on your own” and attended by about 40 academics and members of the public, the speaker told the group that the “God of the white man” had “deserted him,” and that white people were “social outcasts and religious hypocrites.” (SAPA, 9 July 2011)

Western. Lesego, my reliable informant from the Tshwane North Business Forum, an active member of a Mainline Protestant church, vowed emphatically that “you will never see me attending Bazalwane churches because they try to de-Africanise people by alienating them from their extended families and their traditions.” A fervent follower of African traditional religion, Tsholofelo took a swipe at the Bazalwane’s new self-identity: “There is something called *seriti*, which talks about our heritage and grandparents and ancestors,” he explains. “It usually comes up during weddings. If they cut off their extended family, how are they going to use *seriti*?⁴² Their businesses may grow at a high speed, but they will crash just as fast.” [Big laughs and then he says categorically]: “I’d rather see my business grow slowly but knowing that I’m going somewhere because they [the ancestors] are protecting me. There’s no one who’s going to take my belief away.”

One of the key elements of the Pentecostal modern worldview most railed at by the community is its individualistic orientation. In the words of David, a ZCC tailor in Hammanskraal “the community here doesn't like the Bazalwane because they look after themselves only.” Koko, a ZCC elder was unequivocal in her berating of “the Bazalwane teachings that are splitting the African family and destroying uBuntu.” Mark Lesese, the business advisor with GEP in Pretoria, noted that most of his “born-again clients are successful business people with one or two tenders, but will never ever ensure that whatever they have is also dedicated to the upliftment of the extended family. He will rather give 10 percent of his monthly earnings to the church.”

While the above examples of backlash may probably be extreme in their virulence by virtue of a geographic and socio-historical context where the ZCC hold sway, thereby amplifying the schism between the two “cosmologies in collision” (Kileyesus, 2006), Pentecostals in general have certainly gained a reputation as a source of ‘foreign-inspired spiritual and economic imperialism.’ They have come to represent the breaking of certain cultural taboos associated not only with conventional religion, but also with the supposed coherence of a traditional culture and collectivism (Coleman, 2000:16). In addition, the well-known vividness of the Pentecostal worldview provides “a religious crucible in which the ‘unsaved’ can be more easily denigrated or, at the very least, viewed less charitably” (Welch et al, 2004:337; Schlemmer, 2008). And yet these are precisely some of the key traits of the

⁴² *Seriti* (dignity) may be described as an aura, energy, power or force, which is claimed to make us ourselves, depicting people’s perception about their identity or personality (Louw, 2001:26).

Pentecostal cognitive and normative framework that were found to give born-again entrepreneurs a clear leg up in their business enterprises.

Ramifications: the born-again ‘advantage’

We have argued that at the core of Pentecostal conversion is the notion of discontinuity with the past and the embrace of modernity. In contrast to ZCC entrepreneurs, who emphasise identity in terms of cultural roots, Pentecostal conversion provides a means for exploring identity in terms of routes into a globalising and urbanising world, offering entrepreneurs a cultural route into the challenges of modernity (Droogers, 2002; Smith, 2007). The rupture from the past and the transformations induced by Pentecostal conversion are rife with implications for entrepreneurship. In his forward to Martin’s path-breaking work on Evangelicalism in Latin America (1990), Berger has argued that the social and moral consequences of conversion [to Pentecostalism] “continue to be remarkably similar to the consequences of the Puritan and Methodist revolutions... Now, as then, the ethos of Protestantism shows itself to be remarkably helpful to people in the throes of modernization and the take-off stage of modern economic growth.” What are then the ramifications of the structural and cultural discontinuities discussed above? In what follows we attempt to glean and synthesise the sociologically relevant implications of Pentecostal conversion for small black entrepreneurs, highlighting the positive externalities identified in our discussion.

Kin commensalism and rituals

The Bazalwane’s faith is perceived to release them in some way from familial obligations and create different values and priorities from those of the ‘unsaved’ folk. Converts are encouraged not to abide by the cultural obligations, either towards kin who passed on or towards extended kinfolk. Faith creates new moral, ethical and religious obligations which either, in the case of deceased kin, reject outright traditional practices, or create new obligations which supersede acknowledged cultural bonds. On the one hand, they do not participate in ritual ceremonies related to ancestral spirits, while on the other hand they often cut or downgrade ties with the extended families. This results in drastically reduced social and cultural interactions with the extended kin, freeing them from the “bondage” of extended kin obligations.⁴³ Norms of sharing and egalitarianism prevent individuals from accumulating

⁴³ Many entrepreneurs expressed negative views about the impact of kinship obligations on their businesses. Overall, 68 percent of the respondents had something negative to say about the relationship between outlays to meet kin obligations and business performance.

sufficient wealth to self-insure and opt out of the insurance networks (Ball, 2001). Because too many people, especially kinfolk, are demanding too many things of small entrepreneurs, the negation of tradition by Pentecostals is significant insofar as it frees the believer from the exactions of kin and community. By forgoing investment in traditional rituals and by cutting back on extended kin outlays, born-again entrepreneurs are able to productively invest resources that would otherwise be spent in ritual and social obligations (Maxwell, 1998; Kileyesus, 2006).

Entrepreneurial Orientation (EO)

We have argued that by rejecting all forms of traditional cultural and religious practices, Pentecostalism expresses individual agency and reinforces its resolutely modern character. Enhanced individual agency, individual action and responsibility, *inter alia*, are arguably among the key traits of the Pentecostal Weltanschauung associated with the most dramatic impact on entrepreneurship. In this connection, our discussion has evinced the symbolic link between Pentecostalism, voluntarism, and entrepreneurship, highlighting specifically the personal agency, risk taking, and individualistic orientation inherent in its project of inner transformation. In providing the newly emergent self of the born-again with cultural and social support to substitute for the spiritual, social and cultural “free radicals” of the past, as the pastor in vignette 1 put it, Pentecostalism fosters a responsible individualism (Smilde, 2005; 2007).

Other scholars contend that “it is not so much the individualism of Pentecostal conversion which leads to the creation of modern subjects, but the ways in which its projection on a global scale of images, discourses and ideas about renewal, change and salvation opens up possibilities for local actors to incorporate these into their daily lives” (Marshall-Fratani cited in Meyer, 2004:461). Of course, Weber’s classic argument was that individualist religion promoted entrepreneurial business activity; and it is perhaps not a coincidence that among my Pentecostal respondents conversion preceded the launch or the jump start of their entrepreneurial ventures.

Now, according to mainstream entrepreneurship literature, risk taking along with innovativeness and proactiveness are the core dimensions of entrepreneurial orientation (EO), a construct routinely used to predict entrepreneurial business activity, *viz.* business start-ups and business performance. In fact, EO represents the one area of extant literature where a cumulative body of relevant knowledge has been building about entrepreneurship. Defined as

the processes, structures, and behaviours that are characterised by the simultaneous exhibition of innovativeness, proactiveness, and risk taking, entrepreneurial orientation fosters both opportunity- and advantage-seeking behaviours. By facilitating a firm's capacity to identify innovative opportunities with potentially large returns, target premium market segments, and obtain first mover advantages, entrepreneurial orientation contributes to higher performance (Wiklund & Shepherd, 2005; Stam and Elfring, 2008). This relationship has been found to be robust to different operationalizations of its key constructs as well as across different cultural contexts (Rauch et al, 2009).

In an effort to understand the role of EO and start-up culture to enhance economic development in South Africa, Pretorius and Van Vuuren (2002) argue that the South African culture is not supportive to the development of an entrepreneurial culture. The South African Global Entrepreneurship Monitor Report (GEM) has consistently documented over the years the lack of a "can-do" attitude and aversion to risk taking among black Africans, underscoring the very low rates of "opportunity entrepreneurship" among this cultural group (Herrington et al, 2010).⁴⁴ My trusted informant Lesego echoed a frequent complaint among many respondents concerning the pervasive aversion to risk taking and entrepreneurship: "in our African culture we are conditioned that when you go to University, you don't go into business. You venture into business only if all else fails! They believe that if you've failed in life, then you go into business. That's the perception. That's the culture." National culture, by way of both values and institutions, is known to impact the willingness of firms and entrepreneurs to display risk taking and proactive behaviours⁴⁵. For example, uncertainty avoidance (cultures that are uncomfortable dealing with ambiguity) is routinely found to have a significant negative influence on risk-taking levels within SMEs (Kreiser et al, 2010).

Our discussion has shown that risk taking and proactiveness intrinsically inform or even correlate with the Pentecostal theological system. Pentecostal conversion served as a form of

⁴⁴ Opportunity entrepreneurs are those who start a business by anticipating and then acting in light of a recognised opportunity, as distinct from "necessity entrepreneurs," whose businesses are driven primarily by necessity, i.e. are motivated by a lack of other options for making a living. The *2001 GEM Report* showed that 55 percent of all entrepreneurial activity in South Africa was necessity motivated. Large racial disparities existed, with 66 percent of all entrepreneurial activity amongst black adults driven primarily by necessity compared with only 23 percent amongst whites. Black Africans continue to have the lowest prevalence of opportunity motivation, but in the 2008 survey, the difference between the rates was less than 10%, suggesting an increasingly positive entrepreneurial attitude amongst black Africans (Herrington et al, 2010:43).

⁴⁵ There is an established empirical research tradition incorporating Hofstede's enduring cultural values framework in entrepreneurship studies. Individualism-collectivism would seem to be one of the more salient dimensions of culture insofar as entrepreneurship is concerned (see, for example, Morris et al, 1994; Kirkman et al, 2006).

‘cultural agency’ whereby born-again entrepreneurs, regardless of their socio-economic background, gender or education, were found to be emboldened and enfranchised, and through which they gained control over aspects of their personal and social contexts, including their business enterprises (Smilde, 2007). Instead of lack of a “can-do” attitude, Pentecostal operators brimmed with “I’m-a-champion; I-can-make-it” type of mindset, as articulated by Thabang.

In their critique of the methodological individualism inherent in Sen’s capabilities framework,⁴⁶ Stewart and Deneulin (2002:67) note that “some societies provide conditions more favourable to the development of individual agency than others, and also more favourable to making what would generally be agreed to be ‘good’ choices – for example, choices more oriented towards poverty reduction, or environmental sustainability – than others.” Our discussion has shown that Pentecostalism provides conditions more favourable to the development of individual agency, enabling converts to be freer agents, and encouraging them to form valuable entrepreneurial objectives. The persistent case studies of Kgomotso and Lebogang – two women with similar demographic and socio-cultural background running a similar type of business in the same township – brought home in sharp relief the contingent role of Pentecostal conversion in shaping their divergent entrepreneurial orientations.

Modern knowledge

Our discussion has highlighted the importance Pentecostalism attaches to the acquisition of modern knowledge. Insofar as Pentecostals emphasise the intellectual aspects of faith, to read the Bible and interpret it is fundamental. In fact, reading the Bible is expected to be every born-again’s favourite pastime (Englund, 2007). The emphasis on the written word and the theoretical elaboration of faith appears to encourage verbal competence and an ability to argue, which are fundamental skills in democracy and modern societies (Mariz, 1996). We have noted that the direct provision of outreach business support to entrepreneurs and businesspeople was a major focus of activities in many churches. Thus, another ‘intrinsic feature’ of Pentecostalism’s modern worldview with a direct impact on entrepreneurial outcomes is a rational mindset that embraces scientific and technical knowledge. The Weberian entrepreneur is not merely a risk-taking individualistic adventurer or explorer, but

⁴⁶ According to methodological individualism, all social phenomena must be accounted for in terms of “what individuals think, choose and do” (Bhargava, quoted in Stewart and Deneulin, 2002:67).

the representation of the rational attitude of the modern Professional (Ebner, 2005; Berger, 2008). By emphasising skills, training and knowledge as key components of personal and business success, born-again entrepreneurs were found to be better equipped to manage their businesses more efficiently along modern lines.

Social capital

The ability to build up social networks and use these in the operation of the enterprise is one of the major social requirements for starting a firm. While entrepreneurial orientation defines a firm's overall entrepreneurial posture and has implications for its performance, the entrepreneurship literature shows that the strength of the relationship between entrepreneurial orientation and performance is moderated by a host of different intervening factors such as the conditions of the environment and the availability of resources (Moreno and Casillas, 2008; Rauch et al, 2009; Herrington et al, 2010). Now, availability and access to resources (financial and otherwise) is in large measure contingent upon the extent of the entrepreneur's networks, especially their external ties. Research has shown that new business ventures are often unsuccessful in translating an entrepreneurial orientation into higher performance because of a lack of strategic resources. In this light, entrepreneurial orientation will only facilitate growth and wealth creation when firms strategically acquire, develop, and leverage resources that foster both opportunity- and advantage-seeking behaviours (Stam and Elfring, 2008). The social capital that is embedded in entrepreneurs' external ties can be considered such a resource. In other words, social capital of the bridging type activates the link between entrepreneurial orientation and entrepreneurial behaviour and performance, enabling entrepreneurs to access and leverage outside resources.

In chapter 4, we suggested that the cultural context in general and the normative content of networks in particular, by influencing agency and the formation of objectives, appear to impinge on the social capital profiles of small black entrepreneurs. We argued specifically that cultural norms and beliefs have a bearing on the workings of social capital and trust. Our discussion points to at least two mechanisms through which Pentecostal entrepreneurs were found to enhance their social capital scores. First, it was implied that cultural meanings might help understand the trust paradox, and that the latter did not seem to affect born-again. Our study has identified some cultural pathways by which trust degenerates into widespread mistrust, detracting from the social capital and the ability of small black entrepreneurs to co-operate and form business partnerships. Pentecostal conversion appears to switch off these

pathways through a process of ‘cultural innovation’ that breaks such traditional norms, beliefs and practices as egalitarianism and associated witchcraft beliefs. As previously shown, these were found to be implicated in the non-transferability of trust across distinct domains, exposing the normative bipolarity that causes otherwise collectivist individuals [in the kin and communal domains] to morph into lone and dysfunctionally individualistic business operators.

As to the second mechanism, it was shown that born-again entrepreneurs benefit from a variety of sources of bridging social capital in their congregations. These were found to implement active programmes providing a friendly platform for the mobilisation of urban networks of professional and business contacts and sources of financial assistance. In some churches, these networks span vertical arrangements of power, influence, wealth, and prestige, offering entrepreneurs opportunities for building status-bridging social capital whereby they meet and link up with high-status people. In sum, by ‘immunising’ against those cultural factors that hinder the creation of out-group social capital necessary for building ties (e.g. witchcraft-related fears) and potentiating church-based social trust as well as status-bridging social capital, Pentecostal conversion develops the capacity to operate across communal lines and class boundaries, helping born-again entrepreneurs to leverage outside resources (e.g. capital, information, markets) critical to the growth of their business ventures.

Lifestyle

We have noted that the exposure to the ‘modernising’ experiences of Pentecostalism requires an individual option for the faith, reinforces rational option over tradition and cultural inheritance, and places a high premium on modern knowledge, priming the convert with the requisite ideological tools and institutional support for social and economic betterment. Ultimately, the upshot of Pentecostal conversion is the transformation of the daily life of the believer towards a new ethic, a theme not sufficiently covered in our discussion so far. As Berger (2008:15) reminds us, the Pentecostal package also comes with a moral component – the Weberian Protestant ethic of hard work, soberness, frugality, and a disciplined lifestyle.

In this light, Pentecostal conversion can be lifestyle transformations as much as ideological ones, with faith and lifestyle being fused at a personal level. In fact, it has been argued that born-again conversion can be described as a change in moral practice rather than a change in religious beliefs or ideologies (Manglos, 2010). A recent study on religious transformation in

rural Malawi suggests that while beliefs are still influential and vocalised in conversion narratives, “conversion may not be *primarily* (original emphasis) about changes in belief, but about changes in lifestyle” (Manglos, 2010:6). According to Manglos, her young respondents rather than describing conversion processes “purely as decisions to believe something different about the spiritual world, [they] describe them as moments of lifestyle transformation, in which divine intervention and personal choice are both credited as instigating factors” (Manglos, 2010:9). This approach critiques the academic conception of conversion which has historically overemphasised a change in beliefs, calling our attention to the importance of the lived, experienced practice of religion for adherents (see, for example, Englund, 2007). The relevant point is that religion is of course both about beliefs and about practices. Although the suggestion to de-emphasise a change in beliefs does not quite cohere with our findings, where ample in-depth evidence points to a major reconfiguring of the worldview and antecedent beliefs in spiritual powers, as well as the moulding of new identities, it does underscore the centrality of lifestyle changes brought about by Pentecostal conversion.

Indeed, being born again meant not only a cultural break with the past, as was pointed out earlier, but also the adoption of a new moral compass for the convert’s everyday life. Unlike traditional religions, which, as Weber (1992) observed, enable people to interpret everyday events but don’t ask ordinary people to make all their conduct conform to the norms of a religious worldview, Pentecostalism requires members to put their religious beliefs into practice (Mariz, 1998; Garner, 2000). In the context of the present study, the most salient and frequently described features of the born-again self-reform programme were associated with the abandonment of former sinful lifestyles characteristically involving the consumption of alcohol or extramarital sexual relationships. Only in rare instances was the proverbial Protestant frugality apparent. The literature typically highlights the profound impact a disciplined, teetotaling lifestyle has on the economic integrity of the convert’s household, with money that used to be spent on vanities, drinks and worldly vices becoming available for domestic investment, especially among the poor and male converts (Garner, 2000; Berger, 2008; Mariz, 1998; Maxwell, 2006). Predictably, such a lifestyle reorientation has a positive effect on entrepreneurial outcomes as well (Gooren, 1999; Martin, 2002).

My Pentecostal informants, who previously ascribed the “born-again advantage” to their “immunity” from kin commensalism, traditional rituals, and the embrace of modern knowledge, were unanimous in pointing the finger at the dissipation of business resources of

fellow ‘unsaved’ entrepreneurs on kith and kin as well as girlfriends. Once again let us benefit from Thabang’s candidness and insight into his close ZCC friend:

“He will never grow his business because the moment there’s money in his hands he becomes very, very reckless. There will be women around him, the family will be queuing up with demands and requests, and everybody wants to be on the payroll but they don’t want to work. Once you take business profits and spend them elsewhere, the business suffers. Spiritual discipline is the foundation! (...) In church we are taught that we cannot see every woman as a wife.” (Thabang)

Furthermore, given their general probity, honesty and trustworthiness, born-again entrepreneurs appear to balk at being drawn into corrupt dealings. “Let me tell you what makes a big difference between a born-again Christian and all other Christians,” he comments. “The thing is that they don’t draw the line between moral and immoral conduct in business. That’s what differentiates born-again Christians from others.” Thabang’s heightened sense of ethical business is couched in a language bordering theological virtue; it comes out in this quote illustrating an experience he had had in 2009 in connection with a municipal tender:

“I tendered and did everything according to the requirements. Then they called me later saying that I must arrange at least R10 000 in order to be able to get that tender. I said ‘no, I won’t. Why would I give you R10 000? I’d be bribing you. Once I bribe you, I’m committing a sin against God.’ I know very well the person who ended up getting the tender because we work together [in the construction industry]. He paid them instantly R30 000, and got the tender in Hartebeespoort. Now this person is going to access wealth, instant wealth. But he accesses it in the wrong way. The “problem” with born-again Christians is that they want to do things by the book in a straight way, which in the public sector only 10 percent are prepared to do.” (Thabang)

And then as if to add spiritual legitimacy to his claims, he leafs through his ever-present devotional, and quotes: “Don’t be carried away or lured into evil because of the inordinate desire to get rich by fraudulent means. Such wealth will develop wings and fly away.” Pentecostal entrepreneurs are actually known to insist on fair dealing and paying taxes even in unpromising environments (Gooren, 1999). The framework of moral controls set by the strict rules of the believing congregation and the need to render accounts to God and to the brethren together enable the believer to internalise a self-control which can survive the buffeting of the corrupt world in which he or she has to earn a living (Martin, 2002:80). Local research also suggests that “stern, conservative values in respect of public morality and a proscription of corruption” are prevalent among the so-called New Pentecostals (Schlemmer, 2008:71). But not everyone is as virtuous. Luvhuami, the previously storied owner of a successful air-conditioning business in Pretoria, shared her ethical dilemma:

“I pray before I get all my deals. But it’s very tricky. On the one hand, I’m a Christian, I love God and I like to do things right. On the other hand, you go to a business associate and they’ll say to me ‘fine, I’ll

give you a deal, you give me 10 percent.’ And I’m left wondering if that’s right, if it’s a Christian thing to do or not. I get caught up. I chose to deal with it in a way that my conscience feels right. People will tell you that it’s wrong, but I just decided, you know what, I’ll just do it. I actually told my pastor that I needed to talk to him about this. I need to know if this is right or not. Part of me says, yes, it is right, the other part says no.” (Luvhuami)

There is no doubt that many new converts give up common worldly vices, such as smoking and gambling, and, as a result of this change of spending habits, end up with more money in their bank accounts and a healthier body. The value of changes in consumption patterns and the lifestyle codes imposed by Pentecostalism are of great benefit to the poor in general. Sobriety on its own makes a vast difference to most budgets, but the other qualities referred to are crucial to entrepreneurship, however small (Martin, 2002).

While entrepreneurs’ accounts do suggest an overall disposition to an ethic of soberness, chaste relations, and generally disciplined personal lifestyle, which are all rife with positive implications for entrepreneurship, a mixed picture emerges with regard to conspicuous consumption, especially among aspiring middle-class urbanites.⁴⁷ In fact, respondents with previous business experience, regardless of religious orientation, were emphatic in acknowledging that “black business owners are jeopardised by the compulsion to show off and splash on unnecessary flashy stuff,” as the owner of an office supplies and stationery store in Hammanskraal put it. Pitso, the born-again hotelier who owns an upmarket establishment in Hatfield, Pretoria, was categorical: “The reason why most of our emerging black entrepreneurs don’t go far is mainly because the moment a person makes money or takes a loan he wants to go and buy a Mercedes Benz. That’s the problem. You invest in things that are not going to benefit you nor grow the business.”

Luvhuami represents one group of born-again who are not immune from the ‘compulsion to show off,’ clearly detracting from the proverbial frugality of Weberian Protestants. She rationalises the ostentation of status symbols such as expensive cars and jewellery as a business imperative:

⁴⁷ Conspicuous consumption is the hallmark of African businessmen and entrepreneurs. Commentators observe that in the ‘prestige economies’ of East and Southern Africa economic activities were already status-oriented in pre-colonial society. How overwhelmingly important this desire for status is in African entrepreneurship is emphasised by an informant in Wild’s Zimbabwe study: ‘Even today, for nearly all African entrepreneurs business is a means to an end. Africans go into business to make money quickly to acquire the symbols of wealth and prestige: a car, a posh house and so on. If he has achieved that he would normally relax and let the business run down. In many cases this fondness for an expensive lifestyle led straight to bankruptcy’ (Wild, 1997:165)

“Yes, it’s a serious problem. You know what happens in the business sector? You actually have to buy a very nice car to go to meetings. They will take you seriously because of the car that you drive. I’m serious! I have to say this. You have to have a very nice car. It’s status. They can see that this person is working and has done something. It gives you an upper hand. People need to see that. They will respect you and give you business and will be very happy to work with you. But if you come to meeting driving a Toyota Corolla, they will frown. For example, one of my contacts [I normally get some of my business from him] said: ‘I respect you, guys. When I saw you with the nice car, I just knew you were the ones to give the contract to. They’ll do the work.’ So, that’s a perception. It’s not right but you have to play by it in order to survive.” (Luvhuami)

In contradistinction to such a rationale, another group of born-again resorted precisely to concealing their riches as a deliberate business strategy. For example, Happy, who owns a very busy filling station franchise in Hammanskraal, reckons that his lifestyle ‘bamboozled’ the community: “they’d see me working with my guys outside, and they couldn’t tell who the owner was, because in the mentality of black people, I must wear a suit and tie, and drive a BMW (...). I wouldn’t be able to get as much business if I were to drive an expensive Mercedes Benz in a poor community like this one.” The owner of a successful graphic design business allude to in chapter 4, Sonia’s lifestyle perhaps came close to representing the quintessence of the erstwhile Protestant asceticism in this group:

“Before I buy something I always ask myself if it’s a necessity or a luxury. I ask myself this question. That’s how I do it. In my house I have an open plan. Most women would want an expensive bed. I say [to myself]: I sleep here; I eat here; nobody comes here to say that my furniture is cheap or whatever. And besides my house doesn’t make me money! So I’m not going to invest thousands in a house that nobody sees or gives me anything. Unless if it was a guesthouse or something. So I’d rather put the money in the business.” (Sonia)

Let the ambiguity be set out clearly. While at one level Pentecostalism cherishes the home, promotes thrift, discipline, hard work and sobriety, what it does reject uncompromisingly are the key destructive indulgences of former sinful lifestyles, e.g. alcohol, tobacco, drugs, promiscuity. Otherwise, it appears to retain much of the style of the post-modern city life (Martin, 2002). Therein perhaps lies one of the “potent ambiguities of Pentecostalism in relation to economic ethic” (Martin, 2002:83). As Martin (2002:88) observes, “through most of the charismatic world the tension of unalloyed consumerism with evangelical disciplines remains.” Although there is likely much overlap between the Protestant modes of conduct that Max Weber found to be typical of early Protestantism, the strong emphasis on becoming prosperous and showing off wealth clearly distinguishes Pentecostals and Charismatics from early modern Protestantism (Meyer, 2004). Alternatively, we could speculate with Berger (2008a) that the socio-economic effects of a religious tradition typically have “an expiration date.” While the Protestant ethic of asceticism is functional under conditions of *nascent* capitalism in the early phases of modern economic development, it becomes dispensable, perhaps even dysfunctional, in later phases. In other words, an ethic of inner-worldly

hedonism may have an affinity with the culture of creativity demanded by the new knowledge economy (Berger, 2001:452; 2008a:10-11).

Summary

This chapter has sought to explore and make visible the distinct ideologies, practices and processes through which small black Pentecostal entrepreneurs set themselves apart from their non-Pentecostal counterparts with respect to social and business networks as well as an array of sociological factors germane to mainstream entrepreneurship. It has been shown how Pentecostal conversion has a direct bearing on the workings of social capital and trust among small black entrepreneurs in Tshwane by making them impervious to a range of traditional norms and practices that detract from entrepreneurialism. Crucially, Pentecostal conversion was found to be a cultural enabler, catalysing entrepreneurship through an array of powerful ideological, institutional and practical levers which, *ceteris paribus*, give the born-again entrepreneur a tangible advantage.

As we have seen, being born-again is perceived as a radical rupture not only from one's personal sinful past, but also from the wider local cultural traditions of family and even rejection of village of origin (Meyer, 2002). Accordingly, the notion of discontinuities provided an apposite thematic umbrella for the chapter, which, for analytical purposes, was decomposed into two separate sections, viz. socio-structural discontinuities and cultural discontinuities. A caveat is reiterated here: the separate (re)presentation of the structural and cultural contexts of Pentecostal conversion ought not to obfuscate the mutual constitution of structure and culture in light of each other. The other two sections of the chapter, respectively, discussed the social backlash brought on by the Pentecostal conversion and systematized the key implications of Pentecostalism for entrepreneurship among small black operators.

Firstly, in contrast to their ZCC counterparts who denote a strong sense of extended family and mutualism, including participation in traditional societies such as *stokvels*, Pentecostal converts tend to break away from old kin and communal networks, as the church is not only the centre of their spiritual and social world, it becomes the believer's surrogate family. This pattern of structural disembedding from old ties appears to be particularly pronounced and prevalent among first-generation converts in a geographic area that is the stronghold of the ZCC. Not only is church fellowship the new kinship, born-again entrepreneurs found their congregations, particularly the city mega-churches, to be a prime source of bridging social

capital, providing an institutional platform for mobilising and leveraging urban networks of professional contacts and enterprise support, including sources of financial assistance.

Second, quintessentially, Pentecostal conversion is about a drastic reversal of identity. Pentecostalism creates a subculture in total discontinuity with the traditional (Garner, 1998). In contrast to their ZCC and Mainline counterparts, born-again entrepreneurs were found to break with all forms of traditional and religious practices and embrace a modern *Weltanschauung*. As converts shake up their cultural roots, they embark on a simultaneous process of developing new identities and charting a new route into a globalising and urbanising world, making strategic use of new opportunities for social mobility. The experience of cultural transformation was portrayed as being underpinned by spiritual liberation and spiritual enrichment, which ultimately translate into theological and practical solutions for material betterment. The empirical literature suggests that the Pentecostal movement tends to facilitate relations of generalised trust across various social boundaries. Our evidence shows that Pentecostal entrepreneurs are spiritually liberated from the insecurity associated with fear of prophecies, witchcraft and related traditional beliefs, which appear to undermine social trust among entrepreneurs, detracting from building social bridges with potential business associates and partners.

The spiritual enrichment of Pentecostal converts was reflected in the adoption of a modern cognitive and normative framework that rests on self-empowerment through inner transformation and knowledge acquisition. Thanks to the Pentecostal emphasis on inner transformation, which is predicated on the voluntaristic notion of religion and the consequent understanding of transformation as an individual spiritual experience, converts show evidence of an enhanced sense of individual agency, personal responsibility and self-reliance. Pentecostalism's project of inner transformation not only expresses individual agency, but also reinforces its resolutely modern character by encouraging educational attainment and knowledge acquisition. Our findings presented ample evidence to this effect with Pentecostal churches offering a platform that caters for the business and entrepreneurial needs of individual congregants, including facilitation and direct provision of specific skills. Not surprisingly, individual agency, self-reliance and the relentless pursuit of modern knowledge and skills all serve the converts' entrepreneurial ambitions well. Furthermore, the ritualised pursuit of the prosperity agenda provides additional theological support to individual entrepreneurship.

Thirdly, as expected, the socio-cultural discontinuities and the Pentecostal embrace of Western modernity have drawn considerable backlash, particularly perceptible in township settings. Within kin circles Pentecostal churches are slated for their mission to “de-Africanise people by alienating them from their extended families and their traditions,” as key informants put it. In addition to the collision of worldviews, the perceived Pentecostal one-upmanship and aggressive proselytising were a major source of blowback at community level.

Lastly, the chapter distilled a set of major implications of Pentecostal conversion for small black entrepreneurs, which can be loosely summarised as follows. By cutting back on extended kin outlays and forgoing investment in traditional rituals, born-again entrepreneurs are able to productively invest resources that would otherwise be spent in ritual and kin obligations. The voluntarism and enhanced sense of individual agency associated with the Pentecostal inner transformation are supportive of key traits of entrepreneurial orientation such as risk taking and proactiveness. Pentecostalism’s modern worldview foments a rational mindset that puts a premium on scientific knowledge, emphasising skills, training and technical knowledge that are germane to personal and business success. The ‘spiritual freedom’ from prophecies and witchcraft fears immunises born-again entrepreneurs against the ‘trust paradox,’ amplifying opportunities for generalised trust and co-operation. Further, they were found to benefit from church-based status-bridging social capital. Last but not least, Pentecostal conversion brings about a fundamental lifestyle reorientation which has a positive effect on entrepreneurial outcomes, with money that used to be spent on vanities, drinks and worldly vices becoming available for domestic and business investment. Less frequently, some brands of Pentecostalism were also found to inculcate in the believer the Weberian Protestant ethic of hard work and frugality.

Overall, our analysis was guided by an eclectic conceptual mix integrating and alternating neo-Weberian insights with extant relational formulations. Of course, the several environments of action ought never to be reified as separate, concrete entities, much less hierarchized (Emirbayer and Goodwin, 1994:1443-44). However, one would be hard put not to assign more weight to cultural understandings in those instances where Pentecostal conversion was shown to override formidable structural constraints. For example, there are facets of Lebogang’s story that can perhaps be best understood through the prism of neo-Weberian voluntarism with its culturalist tilt towards the autonomy of religious beliefs. In a poor township setting, devoid of supportive social ties in the community, their small ministry

thrives immersed in a cultural environment where traditional beliefs, including witchcraft-related practices are rife. In such a culturally “hostile” context, exacerbated by Lebogang’s own family heritage, which mandated that she assume her traditional role in the pantheon of the family’s ancestral gods, only the ideological power of Pentecostal conversion can help us understand her total break with the cultural past. As we have noted previously, this break was unequivocally manifested when Lebogang lost her first grandchild. The family (Lebogang, her children and mother-pastor) held their ground against the pressure from neighbours and the local community, and refused to seek the services of traditional healers when doctors could not figure out what was wrong with the sick child. Clearly, this was an acid test of the cultural pre-eminence of the Pentecostal belief system, which withstood the structural pressure from local ties, never mind the psychological pressure in the face of the impending loss of a grandchild.

On the other hand, it can be argued that the structural unavailability of Lebogang’s extended family, a circumstance that in and of itself resulted from her Pentecostal conversion, enables her to nurture the equivalent of a reverse relational imagination, to paraphrase Smilde (2007). In other words, Lebogang’s ability to break up with and defy traditional observances and imagine and live out the promise of Pentecostal faith seems to be dependent on the physical break with her family of origin. Furthermore, the same structural distance extends to social ties at community level insofar as, as is the case with most of her born-again peers, Lebogang eschews local groups and stokvels: “I cannot work in the community because of their mindset and their beliefs.” Of course, the situation on the ground is far more nuanced and requires complex gamesmanship on the part of Pentecostals. Ironically, the latter, while keeping a sanitary distance from community ties, have also been found, at least in the context of township settings, to be involved in more business partnerships with locals than their non-Pentecostal counterparts who are plagued by a dysfunctional deficit of social trust.

As much as personal choice – a trademark of neo-Weberian voluntarism – was described as the instigating factor in the decision to convert, the centrality of “structural availability” (Smilde, 2007) was found to be paramount for the successful enactment of the conversion process. For example, a majority of young converts became born-again Christians as a result of the exposure to Pentecostal narratives during their varsity years. As exemplified by Bontle’s dramatic case, her conversion process came unstuck by virtue of Bontle’s continued presence in a ZCC family as well as her inability to extricate herself from old ZCC networks and the attendant ideology of communalism. Only after the passing of her grandmother was

Bontle able to re-enact her personal choice, highlighting the significance of structural ties in framing cultural agency. By the same token, a relational approach seems to explain Bontle's need to seek out exposure to the structural availability of the networks based at the inner-city church where she converted, where discourses on prosperity, self-empowerment and entrepreneurship act as cultural enablers that nurtures and sustains her entrepreneurial ambitions.

In a more general sense, then, considering that all my born-again respondents became entrepreneurs after conversion, a voluntaristic notion of agency alone, which conceptualises conversion as a personal project of self-improvement, does not seem sufficient. Starting an entrepreneurial business was not simply the upshot of mere wilful choice but the result of the interfusion of cultural and structural exposure to self-empowering Pentecostal discourses. While certainly there is a personal self-interest trigger that leads one to convert, adopting culture alone is unlikely to be sufficient reason for taking up entrepreneurship. The latter became actualised after structural exposure to messages of self-empowerment. In sum, a relational perspective that accommodates the mutual constitution of culture and structural exposure to propitious networks avoids over-determinism and appears to offer a more balanced account of the born-again 'advantage.' To be sure, even a neo-Weberian reading biased towards the primacy of the religious factor will acknowledge the structural context. As Berger put it:

[Obviously] there will be other factors that determine success or failure in any specific case: macroeconomic, domestic, international, political, environmental. Thus you can be as puritan as you want, but you will get nowhere if you are located in a place with no natural resources, governed by an exploitative tyranny, and prevented from trading whatever products you have with the outside world. In other words, the right behaviour is important, but its effects can be either enhanced or nullified by other factors. (Berger, 2008:4)

Chapter Six

Conclusion – Bothopreneurs, Bazalwane, and Chameleons

Throughout this thesis we have shown how small black entrepreneurs come to describe their social life in terms of an emphasis on cultural meanings, whether it be related to specific patterns of social networks and social capital, including social trust, or the cultural discontinuities induced by Pentecostal conversion. Instead of considering small black entrepreneurs as mere ‘economic agents’ geared to maximising profit – an assumption still dominant in mainstream entrepreneurship research (c.f. Bruton et al, 2008) – this study pointed at a category of entrepreneurs who are economically motivated but deeply influenced in their actions by symbolic and cultural considerations. Specifically, participants’ religion, with particular reference to Pentecostal conversion, was shown to provide a cultural and symbolic frame not only for the workings of networks and social capital, but for critical dimensions of entrepreneurial behaviour.

Thus, while the study rests on the confluence of two distinct streams of substantive and empirical literature, viz. economic sociology and sociology of religion, a common thread concerning the cultural contingencies of social structure binds together both disciplinary strands and thereby provides a unifying conceptual umbrella. Under the banner of economic sociology, the main focus of the research was framed in terms of an overarching question as mirrored by an emic perception according to which small black entrepreneurs “live together but work separately, [unlike their white counterparts who live apart but work together].”

Unpacking this general theme necessitated answering the following interrelated questions:

- 1) What are the social and business networks of small black entrepreneurs? In particular, what are their social capital profiles and how are these uniquely shaped by specific cultural contingencies?
- 2) Why is there so much mistrust among small black entrepreneurs to the extent that they tend to work separately?

Under the banner of sociology of religion, and in contradistinction with the aforementioned aphorism, the thesis sought to answer the following questions:

- 3) In what ways and why do small black Pentecostal entrepreneurs differ from their non-Pentecostal counterparts with respect to patterns of social capital and trust?

- 4) How does Pentecostal conversion influence the overall entrepreneurial orientation of small black entrepreneurs?

This final chapter integrates three main sections. With the research questions resting on the intersection of two theoretical and empirical strands of literature, the findings have been multiple. They therefore merit brief recapitulation. Next, the chapter considers the conceptual implications for the understanding of entrepreneurship by way of a typology of small black entrepreneurs, and finally it attempts some recommendations for potential practical support and further research in the field.

Synopsis

The study provided an exploratory contextual understanding of the various types of networks and sources of social capital accessed and mobilised by small black entrepreneurs in Tshwane. While entrepreneurs belong to a mix of multiple networks with diverse sources of social capital, the thesis distilled three main categories of entrepreneurs based on strategies of social and economic engagement, which can be best described in terms of a continuum of sources of social capital. These ranged from an overreliance on the bonding forms of social capital found predominantly in kin and communally-based ties to the bridging type of social capital of entrepreneurs who invest their time and resources primarily in high-value business-enhancing networks. Perhaps the largest category of entrepreneurs is to be found in the middle navigating through homogeneous, inward-looking and heterogeneous, external networks.

Kgomotso typifies a category of entrepreneurs who are over-embedded in homogeneous, inward-focused networks of extended family ties, local congregations, and solidarity groups, while patently having a very limited social network to draw on when it comes to business resources. The study suggests that besides low socio-economic status, the majority of the respondents in this group of mostly bonding forms of social capital shared three main traits, viz. they are women, deeply embedded in extended family ties, and tended to be affiliated with the ZCC church. On the face of it, the structural overexposure to networks of bonding social capital, which are intertwined with, and influenced by, traditional uBuntu values of familial and communal solidarity, appeared to act as barriers to conventional entrepreneurship, as it can result in entrepreneurs being confined to low-value networks.

Sitting at the opposite end of the continuum, Lebogang, a township born-again Christian, represents a group of entrepreneurs who proactively seek out and endeavour to access and mobilise resources across a wide variety of diverse external networks in the pursuit of instrumental goals. Their social capital account balance tilts heavily towards bridging ties, with little investment by way of bonding social capital. This category included entrepreneurs with privileged backgrounds, young and educated urbanites, and the vast majority of Pentecostal respondents who, like Lebogang, seem to defy socio-economic status, gender or location. These “modernists” trend towards networks of accumulation that put a premium on modern skills and achievement (Meagher, 2006; 2010). A common feature among entrepreneurs in this group is a shift away from local ascriptive networks, particularly extended family ties, and communal associations such as stokvels.

Yet another category, perhaps the largest, seems to be able to navigate dexterously through both inward-looking kin and communally-based networks, and external high-value business-enhancing networks. Lesego, a member of a mainline Protestant church, provides a typical example of a township entrepreneur whose networks include both bonding and bridging forms of social capital. Upholding the primacy of kin and communal ties, Lesego is deeply embedded in familial and communal networks where bonds of obligation and reciprocity hold sway. However, few entrepreneurs in this group view their bonding ties in a positive light as they are unable to draw on kin and communal networks for the benefit of their entrepreneurial activities. In fact, besides providing psychological bonds of sentiment and identity, family ties represent a drag on business. Similarly, participation in stokvel societies was found to be business-neutral, if not outright negative, mirroring the contradictions and challenges of social capital mobilisation across the disparate normative logics of bonding and bridging networks.

Thus, small black entrepreneurs generally “live together” embedded in networks with access to some form of bonding social capital. Nonetheless, a critical resource in the sphere of bonding social capital does not seem to transfer to the entrepreneurial activity, i.e. trust among kin and communal networks is not susceptible to being capitalised upon for business relationships, resulting in an acute deficit of co-operation among small black entrepreneurs. In other words, small black entrepreneurs ‘live together’ in the confines of their kin and communal networks, but ‘work separately’ in the private domain of their businesses. Paradoxically, the collectively oriented entrepreneur, embedded in close-knit networks of familial and communal ties, seems to morph into an individualistic, lone operator bedevilled

by mistrust, lack of goodwill and co-operation on the part of kin, community, and fellow entrepreneurs. The example of stokvel societies provided an opportunity to shine a light on the question as to why there is so much mistrust among small black entrepreneurs.

Viewed through an ethnographic lens, the trust paradox whereby families and stokvels will not extend trust and co-operation to entrepreneurs appears to be related to deep-seated egalitarian norms of African collectivist culture and cognate witchcraft beliefs. From intellectualised comments to accounts of the daily petty battles they have to fight, study participants unanimously substantiated the claim that trust within stokvels does not transfer to the business world owing to the levelling pressures of egalitarian norms. The persistence of the latter brings to the fore the cultural chasm between a collectivist orientation within kin and communal networks and the individualism of the market, as epitomised by business. Thus, it is perhaps not a coincidence that entrepreneurs like Kgomotso and Lesego, who are deeply embedded in kin and communal networks, and for whom uBuntu norms of solidarity still matter, seem to find themselves at the coalface of the trust paradox as they struggle to reconcile their collectivist worldview with the individualistic pursuit of money in the sphere of business.

We gained analytical traction by using a relational approach, which enabled us to deconstruct these separate spheres of hostile worlds, conceptualising them instead as differentiated social ties around which boundaries are erected and marked by means of metaphors and practices (Zelizer, 2005b). Further exploration of the cultural meanings behind the non-transferability of trust between bonding and bridging networks suggests that in addition to the resilience of egalitarian norms, historical legacies in the settler post-colony, characterised by acute economic inequalities and normative dissonance, may exacerbate the cultural drivers at the root of the trust paradox.

Lastly, the thesis devoted considerable attention to the question concerning the ways in which Pentecostal entrepreneurs tend to diverge from their non-Pentecostal peers not only in terms of network patterns and social capital profiles, but also with respect to an array of critical dimensions of entrepreneurial orientation. As was already noted in this synopsis Pentecostal entrepreneurs regardless of gender, socio-economic status or cultural background, gravitated towards networks of accumulation, predominantly exhibiting bridging ties. Insofar as they reject or are rejected by extended kin networks, and in general display a cavalier attitude towards membership of communal associations such as stokvels, bonding ties revolve

essentially around fellow bazalwane as church fellowship becomes the new kinship. Crucially, born-again entrepreneurs found their congregations, particularly the city mega-churches, to be a prime source of bridging social capital, providing an institutional platform for mobilising and leveraging urban networks of professional contacts and enterprise support, including sources of financial assistance.

With disembeddedment from extended kin networks comes exemption from cultural norms of egalitarian sharing and commensalism. And to the extent that Pentecostal conversion brings about drastic discontinuities with traditional African belief systems, born-again entrepreneurs are liberated from the spiritual insecurities associated with fear of prophecies, witchcraft and related beliefs, which appear to undermine social trust among entrepreneurs, detracting from building social bridges with potential business associates and partners. More importantly, Pentecostal conversion entails the adoption of a modern worldview that puts a premium on educational attainment and knowledge acquisition. Furthermore, the experience of inner transformation that undergirds the Pentecostal project unleashes a sense of heightened individual agency, personal responsibility and self-reliance, which translate into entrepreneurial risk taking and proactiveness.

Development scholars concede that “some societies provide conditions more favourable to the development of individual agency than others, and also more favourable to making what would generally be agreed to be “good” choices – for example, choices more oriented towards poverty reduction, or environmental sustainability – than others” (Stewart and Deneulin, 2002:67). By the same token, in light of the empirical evidence adduced we will have to agree that for all the animosity against their perceived one-upmanship and self-centredness, Pentecostal converts seem to cut the entrepreneurial mustard, so to speak. The combination of bridging social capital and generalised trust, risk taking and proactiveness, and entrepreneurship-friendly lifestyle transformations produces some form of socio-cultural magic, as it were, which give Pentecostal entrepreneurs a clear advantage over their non-Pentecostal peers, especially those affiliated with the tradition-rooted and communally-oriented ZCC.

What are the implications of the above findings for our understanding of entrepreneurship? I will not be able to produce a nice logical circle to link together the various pieces. The truth is that life is a lot messier than that. However, it is my firm belief that *sociologising* out of my interviewees' storied world the adopted relational frames allow the integration of a broad spectrum of experiences and themes to a more or less coherent and meaningful structure. In the following section I argue that recent relational scholarship, including insights from development theory, can illuminate us in sketching out the contours of a possible typology of small black entrepreneurs. Let us first sum up the key tenets of the theoretical framework that guided our analytic strategy.

Capabilities and cultural holes

A classic embeddedness approach à la Granovetter would emphasise the influence of social structure, specifically social networks, on the economic action of entrepreneurs. A social capital perspective alone, by focusing on the appropriability of resources within social networks, thereby taking individual actors as its starting point, would put the emphasis on the personal agency of individual entrepreneurs. A capabilities approach à la Sen would place the analytical accent on the evaluation of the individual well-being of entrepreneurs, focusing on their capabilities and on removing obstacles in their lives so that they have more freedom to live the kind of entrepreneurial life they find valuable.

In this connection, let us momentarily pause and consider the following related questions: To what extent are the divergent entrepreneurial paths followed by Kgomotso, Lebogang and Lesego a function of their gender, their responsibilities as parents and/or partners, and their personal and familial assets? Is the relative 'lack of entrepreneurialism' exhibited by Kgomotso a function of her familial and economic situation?

The capabilities perspective posits that poverty and inequality are defined as deprivation in the space of capabilities rather than income or commodities. A case could conceivably be made that variations in entrepreneurialism may be a function of unequal access to human and physical capital as well as economic assets. To recapitulate, functionings are defined as "the various things a person may value doing or being" (Robeyns, 2003:5). Functioning is an achievement of a person: what she or he manages to do or be. Specifically, functionings are valuable activities and states that make up people's well-being – such as being healthy and well-nourished, being safe, being educated, having a good job, inter alia. They are also related to goods and income but describe what a person is able to do or be with these.

Capability reflects a person's *ability* to achieve a given functioning ('doing' or 'being'). It refers to the freedom to enjoy various functionings. In particular, capability is defined as 'the various combinations of functionings (doings and beings) that the person can achieve, reflecting the person's freedom to lead the kind of life he or she has reason to value' (Robeyns, 2003; 2005; Clark, 2006; Alkire and Deneulin, 2009).

Crucially, though, it is important to note that in real life, two people with identical capability sets are likely to end up with different types and levels of achieved functionings, as they have made different choices from their effective options (Robeyns, 2003; 2005). Arguably entrepreneurs with similar familial assets and socio-economic circumstances may take divergent entrepreneurial paths by virtue of their different choices, different definitions of a good life. In philosophical terms, we could say that Kgomotso and Lebogang, the two paradigmatic protagonists in our story, have different ideas of the good life, that is, different desires and wishes that impinge upon the kind of entrepreneurial life they want to lead. It will be recalled that Kgomotso and Lebogang share the same gender and demographic constraints (both have the same responsibilities as single mothers of teenagers), the same educational level (matric), the same 'locational' attributes, and comparable personal and family assets – to the extent that I could ascertain during my 3-plus years of intensive interactions and conversations with them. In fact, if anything, Kgomotso started off with more assets as she benefitted from her father's sewing machine gift with which she launched the business over 20 years ago. How can we then account for these interpersonal variations in entrepreneurialism?

The capability approach accounts for diversity in two ways: by its focus on functionings and capabilities as the evaluative space, and by the explicit role it assigns to personal and socio-environmental "conversion factors of commodities into functionings" (Robeyns, 2003:17). Firstly, a capability lens would investigate the unequal entrepreneurial paths between these two entrepreneurs with seemingly identical capabilities based on a *multidimensional distribuendum* that can account for non-financial and non-material elements (Robeyns, 2003; 2005). For example, one such element might be a heightened sense of agency towards the collectivity. Pertinently, the approach recognises that individuals often have values and goals that transcend and sometimes even conflict with personal well-being (Clark, 2006). In this regard, we know that Kgomotso is deeply embedded in a large, close-knit extended family network, and that kin obligations place an excessive burden on her business finances. Conversely, Lebogang broke away from [or was disowned by] her extended family networks

in the aftermath of her Pentecostal conversion. We also know that Kgomotso's choice of a communally-oriented agency has implications for her networks and social capital profile.

Secondly, paraphrasing Robeyns, the conversion of the characteristics of the commodities into achieved entrepreneurial functionings can also differ over individuals. Some of these differences will be individual, while others will be societal variances related to gender, class, race, caste, religion, and so on. The focus of this thesis has been precisely on the evaluative space of socio-structural and cultural factors. One of the study's headline findings is that Pentecostal conversion not only changed the structure of Lebogang's family ties and social networks, it transformed her worldview and lifestyle, and equipped her with a prosperity ideology and the requisite proactive and risk-taking mindset that serve well her entrepreneurial endeavours. By counterpointing the ZCC-affiliated Kgomotso and Pentecostal convert Lebogang, two entrepreneurs who share identical gender, social, economic, cultural, demographic, and 'locational' attributes, we show how socio-structural (networks, social capital) and cultural dimensions of relations coalesce and drive them [and the groups that they typify] towards divergent entrepreneurial paths.

This thesis therefore provides suggestive evidence that the divergent entrepreneurial paths followed by Kgomotso and Lebogang are less a function of unequal personal and familial assets and/or access to human and physical capital than a function of their relational profiles.

To be sure, recent advances in development theory amalgamate relational perspectives on culture with the human capabilities approach. If, as an influential World Bank publication posits (Rao and Walton, 2004:29), a relational understanding of culture is necessary in order to confront the difficult questions of *what* is valued in terms of well-being, and *why* economic and social factors interact with culture to unequally allocate access to a good life, then "a group's cultural capital forms part of its capability set." To restate Rao and Walton (2004), the implication of a cultural lens is that by taking into account the relationality of individual entrepreneurs, and the social and cultural context within which they operate, we gain a better understanding of the impact of these processes on the unequal distribution of entrepreneurialism, or to be more precise, on divergent entrepreneurial paths. This then brings us back to the relational framework that undergirds this thesis.

While deploying selected constructs from the embeddedness, social capital and human capability perspectives, overall this thesis adopted a relational sociology framework which attempts to rebalance the age-old structure-agency dichotomy by showing how culture

mediates the impact of structure and networks on individual action, and indeed how agentic processes influence structure. Relational sociologists call this the ‘double constitution of agency and structure’ (Emirbayer and Mische, 1998). Of course, culture and structure must be taken as analytical distinctions only insofar as both are fused within a socio-cultural setting (Emirbayer, 1994; Portes, 2000).

Relational sociology starts from the assumption that social networks are interwoven with patterns of meaning. These comprise expectations between the participants, but also symbols, linguistic argots, attitudes, values, cultural practices, categories, and even the construction of the identities of the participants (Tilly, 2005; White, 1992, 2008). Now, if we define social structure as the pattern of relations between individuals, this dynamic interplay of networks and cultural forms should be at the heart of social structure (Fuhse, 2008; Mische, 2011). In a nutshell, a relational perspective emphasises the cultural contingency of social ties and network structure. That is, networks are understood as composed of ‘culturally constituted processes of communicative interactions’ (Mische, 2003:258), providing for an inseparable intermingling of network relations and discursive processes. The relation between culture and structure is not one of a duality between two autonomous entities. Rather, culture and structure, language and relational ties are *fused* within a socio-cultural setting (Muetzel, 2009; Mische, 2011).

Throughout this thesis I pointed up multiple lines of evidence suggesting that an entrepreneur’s proneness to join particular types of associations and networks, and their ability to generate particular types of social ties and generalised trust has something to do with the cultural context. A range of cultural contingencies were emphasised in this regard. In fact, many entrepreneurs tended to invoke or deploy religious categories in articulating their entrepreneurial narratives. This was certainly the case among ZCC-affiliated and born-again participants. By turning the spotlight on the cultural and religious content of the entrepreneurs’ social ties, we enriched our insight into not only their dissimilar networks and social capital configurations, but ultimately their divergent entrepreneurial paths.

Thus, understanding how small black entrepreneurs’ networks and resource mobilisation strategies, as well as such key entrepreneurial orientation traits as risk taking and proactiveness are shaped by cultural meanings and the discourses they have access to and which they have taken up as their own, presents an opportunity for us to appreciate divergent paths to, and indeed multiple types of, entrepreneurship. In light of the theoretical arguments

advanced and the empirical findings adduced concerning the cultural contingency of networks the notion of ‘cultural holes’ in conjunction with insights from the human capabilities framework can profitably be deployed to help us understand the divergent entrepreneurial trajectories typified by Kgomotso, Lebogang and Lesego.

Pachucki and Breiger (2010) recently introduced the heuristic of cultural holes, which of course is in dialogue with the classic network concept of structural holes, to emphasise, perhaps with a slight cultural bias, the contingencies of meaning, practice, and discourse that enable social structure. A corollary of this point is that social relations are culturally constituted, and shared cultural meanings also shape social structure (Pachucki and Breiger, 2010:219). Two aspects of cultural holes are germane to our argument: (1) the use of structural holes as distinct from other organising principles may depend on culture understood not as national character or ultimate values, but rather as meanings, local practices, discourse, repertoires, and norms; (2) cultural holes may refer to incommensurabilities in institutional logics, which prod actors to generate new meanings and forms of discourse.

The first instantiation of cultural holes suggests that “if and when structural holes work is fundamentally culturally contingent” (Pachucki and Breiger, 2010:216). Put differently, the notion of bridging in Burt’s structural holes is reconceptualised as varying by local context, i.e. as having a great deal of cultural contingency. What makes structural holes work or fail strategically in the three types of networks and sources of social capital proposed in this thesis is the culturally contingent behaviour of actors. For example, structural holes may not work for entrepreneurs typified by Kgomotso, who are over-embedded within the crucible of homogeneous, inward-focused networks of extended family ties and communally-oriented local congregations that embody traditional uBuntu norms of familial and communal solidarity.

The second instantiation of cultural holes borrows from Friedland’s postulate that unlike institutions which have a logic because practices, purpose and value are internally in alignment, individuals “live across institutional fields” involving more than one logic of practice, and some of these logics are co-implicated (Friedland, 2009:22-23). In the dynamics of partially interdependent, partially divergent fields across which individuals live we can see traces of Harrison White’s alignments and switchings across divergent socio-structural and cultural configurations. According to White, switchings between different combinations of

cultural-structural fields are the central mechanism that provides for the emergence of meaning (Mische and White, 1998; White and Godart, 2007). Symptomatically, in this connection, we suggested that entrepreneurs like Kgomotso and Lesego seem to find themselves at the coalface of the trust paradox as they struggle to mediate and bridge the chasm between institutional fields with partially divergent logics such as the egalitarian norms of solidarity, which predominate in kin and communal networks, and the individualism of the market as epitomised by the pursuit of their entrepreneurial undertakings.

By contrast, resonating with the notion of socio-cultural discontinuities which inhere in Pentecostal conversion, the latter appears to have punched the ultimate cultural hole in the traditional networks, practices, and discourse of entrepreneurs like Lebogang. Living across institutional fields with less divergent logics, Pentecostal converts are primed to pursue bridging positions mostly in networks of accumulation that seemingly render them impervious to the trust paradox. What is more, Pentecostal conversion prods entrepreneurs to embrace wholesale a modern worldview that facilitates and supports the pursuit of mainstream entrepreneurship.

In the circumstances, if we accept the conceptual metaphor of cultural holes to illustrate both the workings of cultural meanings and the incommensurabilities in institutional logics in shaping the networks, and indeed the entrepreneurial orientation of small black entrepreneurs, then we can ask the following question: is it conceivable that divergent entrepreneurial trajectories are contingent on different cultural holes? The metaphor provides a conceptual hook that enables us to accommodate the relationality of each type of entrepreneurs and the impact of the social and cultural context within which they are embedded. We thus suggest that divergent entrepreneurial pathways may vary in accord with the way in which entrepreneurs connect, disconnect, and switch within and across different combinations of cultural-structural fields. In other words, different types of entrepreneurship may vary by cultural holes. Much of culture being religiously legitimated (Berger, 2001) Pentecostal conversion can be construed as creating and shaping the ultimate cultural hole, whereas its polar opposite the ZCC may punch the minimum number of holes in a given socio-cultural setting.

While Pentecostalism in South Africa strikes as an important cultural enabler in the development of small black entrepreneurship (CDE, 2008; Schlemmer, 2008) by disposing entrepreneurs to Western modernity and its brand of 'individualistic' entrepreneurship, this

need not rule out potential pathways to home-grown entrepreneurial practices. The narratives of entrepreneurs such as Kgomotso or even the highly educated and sophisticated Lesego for that matter suggest that notwithstanding their emphasis on the primacy of communal and family considerations, they should not be dismissed as lesser entrepreneurs. Inspired by communally-oriented choices to lead the type of life she values, Kgomotso's brand of entrepreneurialism is arguably distinct from mainstream Western archetypes.

In this connection, the Capability Approach upended one of the major failings of Anglophone economic sociology, i.e. its inability to accommodate non-utilitarian motives to account for individual action. The Polanyian idea of reciprocity and the socio-anthropological concept of gift (present in much of the anti-utilitarian Francophone economic sociology of *solidary economy*) “represents the extent to which goods and services are exchanged to achieve reciprocity rather than for gain, and in a socially defined and constructed frame of reference whose purpose is at least as much to sustain the network of social ties as to sustain material life” (Granovetter, 2007:6).

Of course, in all this thinking there is a Eurocentric assumption that the Midas touch of the Western prototype of entrepreneurship immediately destroys local indigenous structures and cultures or transforms them into a standardised form involving private accumulation, individual maximisation, and Western cultural domination (c.f. Yang, 2000, 2002; Block, 2005). But there is good news. Mainstream entrepreneurship scholars are waking the field to the possibility that theoretical assumptions based on evidence in the so called mature economies may need to be altered or deleted as researchers examine emerging economies. The guest editors of the special issue on emerging economies of a major entrepreneurship journal stated that:

“Entrepreneurial theories today include assumptions such as profit maximization and self-interest maximization. However, this may not be universally true in all emerging economies. The values and motivations in some emerging economies include an emphasis on the welfare of others, maintaining the status quo, maintaining networks and relationships which may change the implications of assumptions an individual makes on profit maximization and self-interest maximization.” (Bruton et al, 2008:8)

In dialogue with the theme of multiple modernities (c.f. Kaya, 2004; Friese and Wagner (2000)⁴⁸ I argue for the plausibility of multiple projects of entrepreneurship, with Pentecostal

⁴⁸The multiple modernities paradigm questions totalising and Eurocentric theories of modernity. The current state of the plurality and diversity in identities and practices is seen as the consequence of the openness of modernity to interpretation. Specifically, it insists upon the distinctive characteristics of non-western cultures as the indication for the existence of multiple modernities (Kaya, 2004:54).

entrepreneurs on one end of the continuum embodying or approximating the Western variety of economic modernity, which of course is highly individualistic and favoured by mainstream economic development ideology. However, at the heart of my attempt to identify the different entrepreneurial practices among my study participants is a concern for what might be called an Afro-centric project of entrepreneurial development, which must grapple with the disparate paths followed by the likes of Kgomotso, on the opposite end of the spectrum, and Lesego, somewhere in the middle. These may potentially represent hybrid forms of entrepreneurialism based on a more collectivist interpretation of modernity.

To be sure, the contours of such a typology should be readily discernible to the reader at this stage of our conversation. The main empirical and analytical dimensions that will inform a crude sociological profile of small black entrepreneurs in Tshwane include, inter alia: (i) people's choices and ideas of the good life and respective agentic orientation; (ii) social structural dimensions, i.e. networks and social capital profiles, including the trust paradox; (iii) cultural elements, with emphases on religion, specifically the discontinuities and opportunities brought about by Pentecostal conversion by way of entrepreneurial orientation. In view of the foregoing, the following three types of small black entrepreneurs are put forward: bothpreneurs, chameleons and bazalwane. I should stress from the outset that these are analytical distinctions; all three of these types of entrepreneurs are to be found, in varying degrees, within any concrete empirical instance of action. Therefore, as an ideal type, the effort will suffer the same fate as all classifications, i.e. they are constructs of the mind, not descriptions of total reality. Because the types are constructed on the basis of the conceivability, not of the frequency or probability, of empirical occurrence, they are essentially heuristic constructs. This implies that no concrete type should be expected to display, at least with equal salience, all the features of the type (c.f. Kluge, 2000).

Bothpreneurs

Harking back to the notion of uBuntu, we coined the moniker bothpreneur to refer to those entrepreneurs who are deeply embedded in kin and communal networks, denoting an overreliance on bonding forms of social capital and a dearth of bridging social capital. While many are "survivalist" entrepreneurs, several are not. They tend to be members of an African Independent Church, mostly the ZCC, or are staunch followers of African traditional religion. Largely these entrepreneurs seem to resist Western modernity, fighting cultural battles against the perceived threat to their traditional values. Bothpreneurs like Kgomotso are

driven by the primacy of kin and communal ties, with uBuntu sensibilities framing their identity landscapes, as Vibha Pingle (2001) would argue. This choice translates into a heightened sense of communally-oriented agency where the well-being of kinfolk often overrides business imperatives. Therefore, bothpreneurs' notion of entrepreneurial success appears to be tied to a collectivist interpretation of autonomy that is at variance with the Eurocentric notion of separation of the individual from community. However, insofar as these kin and communal ties are often organically attached to the business, the collectivist orientation towards networks of reciprocity can be consequential for entrepreneurial outcomes. Ironically, notwithstanding the collectivist orientation within kin and communal relationships⁴⁹, bothpreneurs are lone business operators afflicted by a large deficit of social trust.

Bazalwane

Bazalwane [insider greeting of brother or sister in the Lord; singular Mazalwane] is the vernacular by which Pentecostals and born-again Christians in general are known. They are the very antithesis of bothpreneurs in terms of social networks, having all but extricated themselves from extended kin and communal networks. These “modernists” aim for bridging positions in order to mobilise resources across a wide variety of diverse networks of accumulation. Although the moniker refers to the vast majority of Pentecostal respondents in the study, the category included entrepreneurs with privileged backgrounds, young and educated urbanites. From township converts like Lebogang to sophisticated urban operators, the bazalwane adopt and cultivate modern business practices and are driven by the primacy of individual success and prosperity. Paradoxically, in spite of their individualistic orientation in the realm of kin and communal networks, they appear more inclined to trust fellow entrepreneurs and engage in joint business ventures. Overall they tend to assimilate into the “dominant” [Western] culture, clearly feeling more affinity to self-determination, a quality particularly valued in the Western cultures because of the influences of Protestantism, Enlightenment, and capitalism. Therefore, endowed with entrepreneurial risk taking and proactiveness, the Bazalwane constructed accounts of entrepreneurial outcomes that located the social agency for bringing about these outcomes in themselves as individuals (“we are not powerless victims but powerful victors” is the overarching creed), contrary to most

⁴⁹ A psychological study found that Black South African students exhibited the collectivistic orientation [predicted by individualism-collectivism theories of cross-cultural differences in Eastern and Western nations] in the conception of self, i.e. more social (interrelated) and specific (contextualised) self-concepts (Eaton and Louw, 2000).

Bothopreneurs who seemed to locate the agency elsewhere. An important consideration in respect of these polar types is that ZCC and Pentecostal entrepreneurs often tended to ‘theologise’ their divergent entrepreneurial orientations, bringing to the fore the ideological influence of these church types in the formation of their own ideas of the kind of lives they want to live.⁵⁰

Chameleons

Between the cultural stories of uBuntu solidarity emphasising the primacy of kin ties and obligations even at the expense of the enterprise, and the countercultural discourse of abrogation of extended kin and communal ties emphasising the individualistic pursuit of entrepreneurial goals there emerges this group of entrepreneurs, arguably the largest. These are shape-shifters par excellence who use the chameleon’s ability to change colour in order to blend with new surroundings and inveigle their way into getting the best of the “traditional” and modern worlds. In this group there are very successful entrepreneurs who adopt modern business principles, including corporate governance, while playing the “cultural game.” This type approximates the microenterprises in the classic study by Mamadou Dia in West Africa which have successfully graduated to large enterprises. Unlike the formal Western variety, they were born of a successful symbiosis between traditional values and the imperatives of economic efficiency and accumulation (Dia, 1996:155).

Running less successful but equally vibrant and growing operations (“we grow slowly but surely, whereas the bazalwane will fail as quickly as they grow,” as some quipped) are those who candidly admit to being closer to the bothopreneur end of the spectrum. They too, like bothopreneurs, are deficient in social trust. Sitting astride disconnected chunks of social structure (Granovetter, 2001), chameleons engage in bridging at multiple levels of institutional spheres, exhibiting a network profile rich in both bonding and bridging forms of social capital. But *chameleoning* (“we chameleonise,” as one entrepreneur put it), i.e. code-switching across different cultural-structural fields is not without tensions and contradictions. Lesego sums it up:

⁵⁰ In his Kwazulu-Natal study, Garner (2000) developed a model of ideological power of religious groups to measure their ability to modify and overturn cultural convention and self-interest, or in Bergerian terms, the plausibility structure of a society. The model incorporates such variables as indoctrination, religious experience, exclusion, and socialisation. According to the model, Pentecostal churches and the ZCC attained the highest scores, whereas Mainline churches scored the lowest Garner (2000:323-324).

“*Ke kgomo ya mošaté wa e gapa o molato, wa e tlogela o molato*” (if you guide the king’s cattle, you get into trouble. If you [see it stray and] leave it alone, you get into trouble.) That is, damned if you do, damned if you don’t. Coupling and decoupling the family is just like that. If you come too close, *motho a ka fêla* (a person can just go broke). If you stay away, you are cursed. This coupling and decoupling is an art form that you must develop in order to protect your business interests from undue pressures and intrusion without alienating your kinfolk and community members” (Lesego).

In short, a struggle between competing worldviews plays out in the community, with small black entrepreneurs caught out in the middle. *Bothopreneurs* represent the humanistic beliefs that underpin familial and communal sharing. Some of those beliefs appear to be fused with religious ideology and political rhetoric of nationalism. By all odds, *Bazalwane* represent the ideological polar opposite, a group of seemingly de-traditionalised and individualised entrepreneurs who are associated with a high legitimisation of the Western variety of entrepreneurialism. *Chameleons* straddle along in the middle, perhaps seeking to synthesise the “traditional” and the modern in a kaleidoscope of overlapping identities and practices. While some of them may morph and “graduate” into Bazalwane, many seem to be comfortable in their cultural space.

So what?

One Sunday morning late in November 2010, Lesego, my trusted informant over the last 28-odd months, with whom I’ve had countless meetings, interviews, visits, drop-bys, rings me to inform that he is on his way to Johannesburg to catch a flight to Durban. Together with his close pal Thuso, they were going to attend the annual conference of the National African Federated Chamber of Commerce and Industry (NAFCOC). The Tshwane North Business Forum (TNBF), of which both are co-founders and leaders, is a member of NAFCOC. The reader will recall that Lesego and Thuso, IT entrepreneurs in Hammanskraal, share a friendship bordering on kinship, both being members of the same stokvel society.

Incidentally, it was the intriguing absence of a joint venture or business associateship between the two that triggered my “discovery” of, and inquiry into, the “paradox of trust” as discussed in Chapter 4.

Lesego wanted to solicit my views on what it is that he should include in his contribution to one of the NAFCOC conference committees. ‘Wow! Just like that, off the cuff?’ I exclaimed in delight. ‘What are you planning to say?’ I asked, without dissimulating my excitement at the opportunity. ‘Remember the issue of lack of trust among black entrepreneurs, which we discussed many times?’ he fired. ‘What can we do about it?’ I told him that presumably NAFCOC members would expect some form of policy or actionable propositions, and that in

this regard he might be disappointed to realise that my research did not generate readily consumable recommendations. This said, I grabbed the opportunity and reeled off a few thoughts that in essence represent the core of what I will call potential practical implications from my study, namely by way of social capital and entrepreneurial orientation training, as well as further research.

To cut a long story unacceptably short, this research has evinced the social-cultural antecedents of the networks of small black entrepreneurs, exposing the dearth of bridging social capital therein. Indeed, the application of a relational and cultural lens enabled us to frame some of the obstacles facing small black entrepreneurs in terms of disparate agentic orientations, unequal 'capacity to aspire' and unequal access to networks. This leads to a normative policy implication.

If entrepreneurs with seemingly identical capabilities may possess different cultural and social capital endowments due to divergent agentic orientations and social capital profiles brought about by dissimilar ideas of the good life, then equality of opportunity alone, though necessary, is not sufficient. With pro-poor policy largely driven by the goal of 'equality of opportunity,' Rao and Walton (2004) argue that equal access to physical and human capital needs to be supplemented by the goal of 'equality of agency' through processes that give voice and agency to the poor. Building on the concept of 'equality of agency' (Rao and Walton, 2004:30), we suggest that greater equality of agency is a desirable, and perhaps a necessary condition, for equalising access to social capital and putting small black entrepreneurs on a dynamic path toward greater equality of entrepreneurial functionings. This has a fundamental implication for policy: moving from a focus on individuals, which derives from the equality of opportunity perspective, to recognition that cultural and social capital are inherently relational concepts that require group-based interventions. In other words, equality of agency and the group-based interventions it requires to build up the social capital of specific groups of entrepreneurs may go a long way towards shaping and influencing individual aspiration, capabilities, and agency.

Especially for the bothpreneurs typified in this thesis, the challenge is to create alliances across difference. Augmenting the stock of social capital beyond the primary groups that underpin their bonding relationships will bring increased opportunities for entrepreneurial development. Many entrepreneurship scholars and practitioners support the view that the best form of social capital is that which links people to resources they would not otherwise be able

to access (Woolcock and Narayan, 2000). This form of bridging social capital can help overcome disadvantage insofar as through social networks entrepreneurial action is likely to convert limited resources into a rich environment (Jack, 2005).

Over and above their particular socio-economic disadvantage and cultural dispositions, operators like Kgomotso do not seem to appreciate the real value and implications of social networks as a significant resource for entrepreneurial economic activity. On a practical level, then, one implication is the need for support agencies to incorporate in their small business management training programmes an educational component that deals with explicit networking goals and activities. Nascent, embryonic and potential entrepreneurs must be made aware of the advantages of using and developing appropriate networks and reliable relationships beyond the limited scope of family or local community ties (Nooteboom, 2007). With lack of entrepreneurial training and education frequently mentioned as a major weakness and barrier to South African entrepreneurship (Orford et al, 2003; Botha, 2006), specific social capital skills strike as an even greater lacuna. International experiences and best practices in this domain might be worthy of attention.

For example, in the United Kingdom support bodies have used a variety of methods to encourage networking, the common thread being a concern for an institutional infrastructure that facilitates information and knowledge exchange (Jack, 2005:1255). Enterprise agencies that provide counselling, advice, information and business training primarily to small and medium sized enterprises are increasingly looking to encourage networking by entrepreneurs and owner-managers of small businesses. Similarly, in the United States microenterprise development agencies target low-income entrepreneurs in marginalised communities by directly fostering connections with outside business-related contacts. Activities include holding regular network sessions between agency clients and outside business contacts who possess varying or greater amounts of resources (e.g., greater business know-how or connections), actively maintaining referral lists of business consultants for clients, and assigning business mentors from the community to clients (Jurik et al, 2006).

Naturally Western-inspired best practices must be adopted with a caveat. For effective social capital educational programmes to be developed one must not ignore the milieu that supports, drives, produces and receives the entrepreneurial process. This research has laid bare a particular local context and milieu characterised by a large deficit of social trust. Thus, interventions aimed at building social capital skills will have to take into account the cultural

contingency of social capital and trust, particularly the fact that structural holes may not generate the outcomes typical of individualistic cultures. This may necessitate the inclusion of consciousness-raising activities that foster an awareness of the societal as well as the interpersonal context of individual networking problems. While addressing the immediate needs of the clients-entrepreneurs (business training and loans or the frequent tender workshops), one approach would be to also include as a part of the training educational components that deal with the larger social-cultural context, that make entrepreneurs conscious of it, and that gradually facilitates trust-building and civic participation. As one practitioner-informant put it, small black entrepreneurs need to be bilingual, that is to understand the language and culture of business, and that of their own communities.

Besides social networks, another major lacuna readily visible in the narratives of many study participants, especially among those close to the bothopreneur end of the continuum, relates to elements of entrepreneurial orientation such as risk taking and proactiveness. This research has shown how religion, namely Pentecostal conversion through its emphasis on inner transformation fills this gap by emboldening and enfranchising individual entrepreneurs across the socio-economic spectrum. Of course, the challenge is not to *pentecostalise* the mindsets of bothopreneurs but perhaps the language and culture of entrepreneurial business may require a more focused attention to enhancing skills for individual empowerment and agency, as well as self-sufficiency. In this regard, the Cape Town spaza shop survey alluded to in chapter 4 recommends that beyond the traditional basic business knowledge (e.g. financial planning) and mentoring, training offerings could encompass entrepreneurial skills development with a specific focus on Entrepreneurial Orientation in order to improve the motivation of small business owners (Knowledge Links, 2009).

In fact, intangible resources such as entrepreneurial orientation, social networks, and knowledge can be more significant than tangible resources in gestating entrepreneurial economic activity (Moreno and Casillas, 2008). An experimental-design study measuring the effectiveness of a local women entrepreneurs programme (WEP) found that entrepreneurial education and training, as opposed to the traditional management training, had a positive impact on women starting and growing their businesses (Botha, 2006). Besides teaching its clients entrepreneurial orientation skills and knowledge, the programme assisted entrepreneurs by providing useful new business contacts through which various support and networking organisations were introduced to women entrepreneurs. Based on the success of WEP, Botha (2006:275) improved the framework for entrepreneurship training focusing on

areas that are normally neglected in entrepreneurship programmes such as networking and support, and confidence-building.

Having said this, even if an entrepreneurship training programme includes the best knowledge and skills (content) about new venture creation and business growth as its outputs, “there is no guarantee that participants will start businesses or improve their business performance indicators (profit and turnover) unless their mindset, willingness to take risks, confidence, attitudes and behaviour have been influenced as well” (Pretorius et al, cited in Botha, 2006:217). For this reason, the insights gained into some of the complex interactions between socio-structural and cultural factors that underpin the identities and practices of small black entrepreneurs are germane to efforts to contextualise social capital building as well entrepreneurial orientation skills development interventions. Implications for policymakers encouraging entrepreneurship in South Africa are that “the complexity of factors involved in enhancing or constraining entrepreneurship should be given due consideration, without any one set of variables overshadowing the other factors” (Urban, 2007:91). Entrepreneurs, educators, and support agency consultants all benefit from better understanding of how various factors merge into the intent to start and grow a business. I agree with Boris Urban (2007), who advocates that training entrepreneurs to be aware of the multiple influencing factors will raise their level of sophistication and ability to correctly gauge opportunities. It will make them *bilingual*. Or will it?

Further research

The Global Entrepreneurship Monitor (GEM, South Africa Report) has evolved a conceptual model that takes account of a set of factors, referred to as Entrepreneurial Framework Conditions, which influence individuals’ decisions to pursue entrepreneurial initiatives. The framework includes a box of nine factors ranging from inter alia, finance and government policies to legal and physical infrastructure (Herrington et al, 2010:20-21). Cultural and social norms feature as one of the categories in the nine-factor framework. The recommendations under this category call for the inculcation from primary school level of a societal ethos of self-sufficiency rather than state-dependency; the introduction of entrepreneurial education in primary and secondary schools to inculcate a positive attitude towards entrepreneurship as a viable employment option; and interventions aimed at increasing female participation in the SMME (Herrington et al, 2010:158).

The main conceptual and empirical contribution of this thesis is that the interplay of network structure and cultural patterns among entrepreneurs has significant implications for entrepreneurship. As an exploratory study, the thesis contributed to fleshing out some of the structural and cultural dimensions of the relations within which small black entrepreneurs operate, including ideas of a good life that influence different entrepreneurial functionings. Specifically, it expands our understanding of the workings of cultural meanings in shaping the networks and the entrepreneurial orientation of small black entrepreneurs. The study has also evinced the “born-again advantage” of Pentecostal entrepreneurs, showing how the transformations unleashed by conversion translate into the kinds of attributes and dispositions that entrepreneurship scholars find conducive to entrepreneurial success. But, as always, the conversation prompted many more questions, and there remain many important issues to explore. I single out three.

First of all, patently the cultural bias inherent in the relational framework imposed limitations on the study. Taking culture seriously means not only framing it as mutually constituted with, and fused within a socio-structural setting, as the relational demarche entails, but also analysing it more explicitly in the context of the political economy. As we have shown, choices about ideas of a good life are closely interwoven with, and profoundly moulded by, a person’s own history as well as religious, community or cultural background. However, future research would benefit from a sharper focus on the ‘political economy’ of specific capabilities needed in entrepreneurship. In particular, it is important to question the extent to which entrepreneurs have genuinely access to all the capabilities in their capability set.

Secondly, an intriguing finding of this thesis was the phenomenon of non-transferability of social capital and trust across distinct socio-cultural fields. Stokvel societies provided a vivid example of the trust paradox, whereby thick trust and goodwill within communal networks were found to be non-leverageable for business relationships, resulting in an acute deficit of co-operation among small black entrepreneurs. In view of the ubiquitousness of stokvels and their potential for leveraging collective or even individual business ventures, further research is needed to shed light on the cultural mechanisms involved in the production of social boundaries that block the transferability of trust. Perchance the best approach is to conduct a comparative study between South African stokvels and equivalent African societies. One

possible comparator might be *Chamas* – the economic empowerment train that currently is all the rage in Kenya.⁵¹

Modern-day chamas have come a long way, growing into mainstream business ventures, unlike their South African equivalent, that remain stuck in old-fashion self-help and merry-go-round operations. For example, an investment group chama, with a monthly payment to the tune of R400, bought a nightclub in Nairobi and was planning to build a gas station on a plot it owned. It is reported that the most famous investment chama is the Trans-Century Group, which was established by 27 leading Kenyan professionals and investors. The membership fee was between R50 000 and R100 000 – and 11 years later the infrastructure investment company is worth hundreds of millions of Rand.⁵² What are the cultural contingencies that prevent stokvels from growing into mainstream business ventures or lending capital to a member entrepreneur?

Thirdly, we sketched out the rough contours of a preliminary typology of small black entrepreneurs, arguing for the recognition of multiple pathways to or types of entrepreneurship. Further research needs to test, refine and expand the proposed typology by means of a more elaborate phenomenology, i.e. how individuals think of themselves as equivalent and similar to, or compatible with, others. Sociologists have an obligation to make sure that their social typifications fit with the typificatory scheme of people in everyday life. I found ample acceptance and resonance for Bothopreneurs and Bazalwane and less phenomenological sympathy for arguably the majority type, the Chameleons – perhaps owing to its pejorative undertones.

To be sure, we are all chameleons in one way or the other, given the plurality of institutional and interactional fields that we cross in our daily lives. People draw their frameworks from a variety of different sources, that may at times shade into one another or present conflicting principles of justification among which people shift (Granovetter, 2007; Friedland, 2009). In this connection, anthropologist Christopher Colvin (cited in Besteman, 2008) notes that most South Africans view things in terms of their local context, rather than siding with one or the other side of the reconciliation/chaos, optimistic/pessimistic polarities that many use to describe contemporary South Africa. Rather, most South Africans are engaged in “strategies

⁵¹ Chama is Swahili for a group of people – anywhere between two and more than 100 – with a common interest in coming together. They can be classified into a few categories: self-help groups, merry-go-rounds, or investment groups in which members pay a certain amount of money every week or month. The money is then used by the group to invest, give members loans or pay them monthly dividends from their micro-savings.

⁵² Munene Kilongi, in “Chama, the best choice for *tjommies*” Mail & Guardian, March 18 to 24, 2011

of contingency and creativity, provoked by the contradictions so constantly and obviously on display in city life” (Besteman, 2008:19).

While my enterprise was sociological, I recognise the extent to which entrepreneurship debates have historically been, and still are dominated by management scholars and economists. There is an epistemological debate about what the entrepreneur *is* and what the entrepreneur *ought* to be. Conventional entrepreneurship research frameworks define the ideal entrepreneur as an “opportunity” entrepreneur as opposed to “survival” entrepreneur, who is invariably labelled as necessity entrepreneur (Nieman and Nieuwenhuizen, 2009). Disingenuously, scholars have been deeming an indicator as reflecting “true” entrepreneurship only when it appears to be significantly and positively related to economic growth (Naude, 2011). As a counterpoint, the actualities of how small entrepreneurs operate and organise themselves is often perceived as sadly wanting. The framing of how entrepreneurs should be is often juxtaposed with statistics on business failures and closures, to produce a picture of the “survival” entrepreneur. With measures of opportunity entrepreneurship now also not standing up to empirical scrutiny, some move to advocate the ratio between necessity and opportunity entrepreneurship as being the relevant measure of entrepreneurship (Naude, 2011:10).

My plea for the recognition of multiple entrepreneurships is grounded in the cultural turn paradigm in the social sciences, which holds that there is a variety of human engagements with the world and the interpretations given of it (c.f. Kaya, 2004). As well, such a plea finds validation in the human capability approach, which respects people’s different ideas of the kind of life which, upon reflection, they find valuable. If modernity can come in different forms, an argument for multiple entrepreneurships is consistent with the cultural turn.

Ultimately, the core of such a research agenda would be the need for African scholars to tease out potential elements of an Afro-centric path to entrepreneurship in South Africa. This thesis has highlighted the diversity of entrepreneurial identities and practices across a range of themes as encapsulated in the stories portrayed. But there is a need to understand the dynamics of potential entrepreneurial “hybridisation” and to learn from the successes and shortcomings of bothpreneurs, chameleons and bazalwane. Conceptually, such a research agenda could benefit from Terence Jackson’s path-breaking work on hybrid management systems in Africa. Based on modern cross-cultural theory, which is built on a concept of crossvergence of cultures, Jackson has evolved a cross-cultural perspective on management

in Africa, which goes beyond Western instrumentalism and emphasises the humanistic values of African culture (Jackson, 2004).

Final remarks

The notion of culture is central to the approach detailed here. Traditionally, sociologists, anthropologists and historians have often commented on the tendency of economists to pay inadequate attention to culture in investigating the operation of societies in general and the process of development in particular. Leading development economists find the criticism justified and have since taken steps to remedy this neglect (c.f. Sen, 2004). I realise thus that the great majority of ‘traditional’ management and entrepreneurship scholars will go on ignoring culture or invoking it without actually incorporating it into their analyses. For them culture represents the unimportant, irrational, messy noise that we must hold constant if we ever hope to get on with formal analysis.

Fortunately, as we have seen an influential school of development economists have amalgamated sociological perspectives on culture with the human capabilities approach. Likewise, there has been an expanding camp of entrepreneurship scholars who have “discovered” culture and think it important (c.f. Urban, 2005, 2007; Bruton et al, 2008; Herrington et al, 2010). Unfortunately, many of those tend to adopt a rather antiquated view of culture as a static, prior, and disarticulated “thing” that ensnares individuals within its powerful clutches and persists unchanging into eternity. As Billig (2000:784) puts it, this view just becomes a new, somewhat more enlightened, way of holding culture constant.

The issue then is not whether culture matters. The real issue, rather, is how culture matters (Sen, 2004). The dynamic and interactive view that characterises relational sociology, echoed by the human development approach to culture, provides a model for how culture can be incorporated into entrepreneurship analysis. After all, as they cultivate or shun cultural bilingualism bothopreneurs, chameleons and bazalwane likely develop different degrees of proficiency in the instrumental language of business vis-à-vis the humanistic language of the communities. And if we agree with Berger (1997) that no tradition can be taken for granted any more, perhaps a new creolised language will evolve altogether. Scholars must wake the sociological imagination to the compromise possibilities that may be driving such hybridisation processes among small black entrepreneurs in South Africa.

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Appendix

Select Socio-Demographic Indicators and Map of Tshwane⁵³

The Region: The City of Tshwane Metropolitan Municipality is the second largest in Gauteng and among the six biggest metros in the country. With a population of 2, 4 million people, the metro area is divided into five regions, among which the Central Western, where the administrative capital Pretoria is located, and the North East, where the ethnographic fieldwork for this thesis took place, specifically in the townships of Hammanskraal. The Central Western region has a population of 328 thousand people, and the North East Region 374 thousand people. The North East region is bounded by the Magaliesberg Mountain Range to the South, the N1-Highway to the East, the Gauteng Provincial Boundary (including Hammanskraal, Temba and twelve other areas up to the Tswaing Nature Reserve) to the North and the Eastern Boundaries of Winterveld, Soshanguve and Pretoria North to the West, all of which encompass an area of about 500 square kilometres in circumference. The Hammanskraal sub-region, which has a strong interface with neighbouring rural towns and villages, consists mainly of residential townships, with an industrial node in Babelegi and a commercial node in Hammanskraal.

Population: Although there has been some integration between different racial groups, the population groups in the different regions of Tshwane still show a legacy of Apartheid settlement types. The North East and North Western regions remained predominantly black due to the townships located in these areas. The Eastern and the Southern regions on the other hand have a good representation of the white population. The Indian population lives mostly in the Southern region. The coloured population is less prevalent in Tshwane and mostly resides in the East and Southern regions. As a whole, 73 percent of Tshwane population is black African and 23 percent white. In the Pretoria region (Central Western) 24 percent is white and 75 percent, whereas in the Hammanskraal area 81 percent of the population is black and 18 percent white.

Languages: Afrikaans, Sepedi, Setswana and English are the most commonly used languages in Tshwane, respectively representing 20.5 percent, 19.6 percent, 18.1percent and 13.1percent of the population. In Hammanskraal's North East region, 62 percent of the

⁵³ Based on Tshwane Household Survey (2008) and State of the North East Region Presentation (2010)

population speak Setswana and Sepedi (Sotho languages), 20 percent Afrikaans, and 4 percent English. In Pretoria's Central Western region 39 percent speak Setswana/Sepedi, 20 percent Afrikaans, and 10 percent English.

Migration: Sixty-six percent of Tshwane population was born in this province (Gauteng), while the main sources of in-migration are the neighbouring provinces of Limpopo (11 percent), North West (6 percent), and Mpumalanga (6 percent). In the Hammanskraal area, a total of 30 percent of the population is originally from Limpopo (16 percent) and North West provinces (14 percent), whereas in the Pretoria sub-region this number drops to 12 percent (Limpopo) and 3 percent (North West).

Education: The highest level of education for those individuals aged 20 years and above shows that 6 percent of Tshwane residents have no schooling, 41 percent have not completed secondary school, and 24 percent have completed matric. In the region where Pretoria is located 4 percent of the population has no schooling, 43 percent has not completed secondary education, and 27 percent has completed matric. By contrast, in the Hammanskraal area, 9 percent of residents have no schooling, 38 percent have not completed secondary school, and 21 percent have completed matric. In the Pretoria sub-region 18 percent of the population has some form of tertiary education, compared with 10 percent in the Hammanskraal area.

Income and dependency ratio: Fifty percent of Tshwane population reported receiving no income. In Hammanskraal's North East region 54 percent of households have no income whatsoever. The lowest monthly incomes are to be found in the North East region which Hammanskraal is part of, with more than 16 percent of the population earning R400 and less. In the Pretoria area 4 percent of residents belong to this income bracket. The average monthly personal income in the Hammanskraal area is R1, 700 below the Tshwane average of 2R2, 600. In the Pretoria sub-region the average monthly personal income stands at R2, 200. The average persons with high incomes mostly reside in the Eastern and Southern regions (R3, 000 and R 7, 000 respectively) outside the study area.

The dependency ratio (percentage of the population below 16 and over 64 years) for Tshwane is 42, with the Central Western region showing the lowest at 31 percent and the North East region the highest at 51 percent. The national dependency ratio stands at 57 percent.

Unemployment: The level of unemployment in Tshwane is estimated at 19.8 percent. There are extreme variations across regions. The Hammanskraal area in the North East region has

an unemployment rate of 40 percent whilst Pretoria's Central Western region has a rate of 13.4 percent. The highest rate is in the North Western region at 43.5 percent, with the Southern and Eastern regions showing very low unemployment rates at 0.3 and 9.8, respectively. Most employed persons work within the formal sector (80 percent) whilst individuals working in the informal sector account for 13 percent of the employed. These are mostly found in Hammanskraal's North East region (24.8 percent) and to a lesser extent in the Southern region (9.5 percent).

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