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Kalmar Växjö

Business Administration Degree Project

# Grow your business for God.

Exploring entrepreneurship in the Pentecostal churches in Uganda.



Author: Tom Akuma Supervisor: Frederic Bill Examiner: Malin Tillmar Academic term: VT18

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### Abstract

Pentecostalism has grown from its founding days in 1900 in Topeka, USA and has extended its reach to most parts the world including Africa where it took off in the 1970s and continues to grow with many mega churches being established. In addition to their main role of taking care of the spiritual development of their followers, many Pentecostal churches have begun to get involved in provision of social and economic goods and services. This has however attracted attention to the churches with some of them being labelled as businesses, their founders being considered as entrepreneurs hiding under the guise of churches and seen as exploiting their followers

The purpose of the thesis is to explore, through research questions, if entrepreneurial activities are carried out in the Pentecostal churches in Uganda and if so, whether such activities can be considered productive, unproductive or destructive entrepreneurship and what their implications are. This qualitative study employed qualitative methods of data collection and deductive approach with primary data collected through semi-structured interviews with 6 members of Pentecostal churches in Kampala and 1 non-member that regularly goes to Pentecostal churches to get a feel of their activities.

The findings show that there the Pentecostal churches carryout a number of entrepreneurial activities that address spiritual, social and economic aspects of the church members and the community. The study further shows that some of these entrepreneurial activities have a positive impact on the church members and the community and by extension the state whereas some activities do not improve the church members and the community and others have a negative impact on the church members and the community. It is shown through this thesis that determining the implication of the entrepreneurial activities is complicated when such activities are lumped together and not considered individually since some of the activities in the Pentecostal may be productive while some may be unproductive or destructive.

The contribution of this thesis is by proposing a matrix as an alternative tool for analysis of the various entrepreneurial activities in the Pentecostal churches by considering their effect on different stakeholders to determine if the activity achieved the reason for its establishment.

### Keywords

Creative destruction, Entrepreneurship, Social entrepreneurship, Productive, unproductive, destructive entrepreneurship, Entrepreneurial orientation, Stakeholder analysis, Protestant work ethic, Prosperity gospel.

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Dedicated to my lovely family that has	s endured two years of my absence as I toiled to add an additional academic qualification.
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### 1.0 INTRODUCTION

The chapter provides a background and analysis of the problem in order to highlight the issue and the relevance of this topic along with situating the problem in the geographical context. The problem discussion provides a foundation to the questions that guide the research and the purpose of the thesis. The chapter concludes with an outline to help the reader prepare for what is in the rest of the thesis.

### 1.1 Research background

This thesis seeks to explore the interaction between religion and entrepreneurship with an emphasis on the Pentecostal churches in Uganda by studying the contradicting phenomenon of pursuit of economic gain by some of the churches as opposed to their normally ascribed role of promoting common good. The theoretical grounding on whether the entrepreneurial activities in the Pentecostal churches can be characterized as the modern day social entrepreneurship, civic entrepreneurship or indeed the more traditional profit-driven entrepreneurship is provided by analyzing the forms of entrepreneurship identified within the realm of religious institutions. A brief historical perspective of the entrepreneurship within the church setup is drawn from Biblical times to date for wider appreciation of the phenomenon.

Uganda has witnessed a tremendous growth of a new wave of religious awakening in the last 20 years under the brand of Pentecostalism. The first Pentecostal church was established in Uganda in 1960 (Brian, 2012), growing overtime to the extent of being recognized by the national government as a religious affiliation. By the year 2002, public figures from Uganda's statistics bureau showed that out of an estimated 24 million Ugandans, the breakdown of Christians was 10,242,594 Roman Catholics, 8,782821 Anglicans and 1,129,647 Pentecostal believers (ibid). Heslam (2015) notes that there is a noticed economic renaissance in geographical locations where belief in religion has risen, noting that Pentecostalism growth is accounted for mostly by the southern hemisphere. More recent figures put the number of Pentecostal churches under their umbrella National Fellowship of Born Again Pentecostal Churches of Uganda at a staggering 40,000 (Kasadah, 2017).

There has been ongoing debate in the Ugandan media space on the activities that many of the founders of Pentecostal churches are engaged in, mainly motivated by financial benefit. Some of the highlights are;

- One of the Pentecostal pastors based in Kampala acknowledged that in some of the churches those who go for prayers are grouped according to how much money they have noting that these church heads have commercialized spiritual anointing and that there are accountability issues arising due to some pastors not being answerable to anybody (Batte, 2017).
- Watoto church was dragged to Uganda's constitutional court by a church member accusing the church of setting wedding guidelines that are too stringent including furnishing a HIV status report of the couple intending to wed, an endorsement of fitness for marriage from a pastor and a letter of no objection from the parents of the bride-to-be. The complainant says these are discriminatory requirements which infringe on his fundamental human rights and sought court to declare them unconstitutional and irregular (Wesaka, 2018)
- The Uganda government has ordered for an investigation of the sources of wealth of the Pentecostal pastors arguing that some of them are channels for illegal activities following the impounding of a very expensive brand new Toyota Lexus from a pastor who claimed it was a gift to him (Otage, 2018)
- The founding pastor of Eternal Life Organisation International ministries church was remanded to jail for obtaining money by false pretence and promising to import a car for the complainant (Kasozi, 2014).
- Pastor Solomon Male, a Kampala city based pastor castigated the actions of some of the
  heads of the mega churches in Kampala, labeling them religious merchants motivated by
  greed to accumulate riches, warning that they are exploiting people who come to the
  Pentecostal churches looking for quick fixes to their problems.

To put into perspective the evidence of economic situation of the new Pentecostal churches in Africa, Meyer (2004, p.448) succinctly summarizes that "Nothing can better evoke what is at stake than the salience of the contrast between the familiar image of African prophets from Zionist, Nazarite, or Aladura churches, dressed in white gowns, carrying crosses, and going to pray in the bush, and the flamboyant leaders of the new mega-churches, who dress in the latest (African)

fashion, drive nothing less than a Mercedez Benz, participate in the global Pentecostal jetset, broadcast the message through flashy TV and radio programs, and preach the Prosperity Gospel to their deprived and hitherto-hopeless born-again followers at home and in the diaspora." They also make considerable use of electronic and print media, since the media industry in many of the countries has been liberalized, resulting in numerous television and radio stations that are used to create and distribute content to flowers (Siegel, 2013). To arrive at this lofty position certainly takes some effort and money, a demonstration of entrepreneurial wits.

The Pentecostal churches seem to be set apart from other Christian churches by the way they promote the gospel of prosperity and an aspiration to have strong appeal even beyond the confines of the boundaries of the countries where they are operating, mainly expressed in their choice of names to include world like 'International' or 'universal' curving an identity that transcends boundaries. (Meyer, 2004)

### Overview of Pentecostalism in Africa

Pentecostalism is considered in Anderson (2013) to include the global movements/churches that espouse the power of the holy spirit in their teachings and as a phenomenon that manifests daily in the lives of the Christians. It is thought to have originated from Topeka, Kansas, USA in 1900 where an ex-Methodist teacher of the bible, Charles Parham, witnessed one of their students speak in tongues though the most widely acclaimed birthplace of Pentecostalism is a place called Azusa street in Los Angeles, USA, where in 1906 Parham's former student William Seymour preached to rapidly growing congregations of both white and black Americans (Anderson, 2000).

Whereas in Africa, Pentecostal churches came to the forefront in the 1970s (Siegel, 2013; Gifford, 2004) during the turbulent times marked by wide ranging economic reform programs championed by global bodies like the International Monetary Fund and World Bank with the attending job cuts and skyrocketing consumer prices. Others also attribute this growth of Pentecostalism to political chaos in that period and growing numbers of poor people (Maxwell, 2006).

The Pentecostal churches in Africa, while maintaining a strong link to Pentecostal churches in the West, were often galvanized by the persona and charisma of their African figure head (Meyer, 2004) and their differentiation from African Independent churches did not become more clear cut until the early 1990s although they had been on the scene dating back to the 1920s.

The mass appeal of the Pentecostal churches has not spared the mainstream Protestant and Catholic churches with small groups popping up in these churches modelled along the Pentecostal ways (Meyer, 2004) in addition to losing some of their membership to the Pentecostal churches. Thus the belief in the power of prophesy, seeing the spiritual realm, breaking from poverty, healing from ailments and glossolalia (speaking in tongues) are common features perpetuated along the Pentecostal doctrine.

### **Features of the Pentecostal churches**

Their membership is mostly drawn from the pre-existing Christian churches like the Protestant and Catholic churches (Gifford, 2004) though some come from non-Christian backgrounds and mainly draws a youthful membership. The new breed of young Christian leaders from universities schooled in the evangelical theology is a major reason for the mainly youthful character of the Pentecostal churches (Parsitau & Mwaura, 2010) though it is important to note that they do not attract exclusively one category of people but rather a mixed profile in their membership covering different age groups, income levels and professions, among other parameters. In Kampala, Uganda, Bremner (2013, p.63) writes that "...people from all socio-economic groups attend bornagain churches, or consider themselves to be born-again Christians" and as such "...to ascertain the proportion of a congregation that could be considered to be wealthy, working class or poor, or middle-class, is impossible in most Pentecostal churches." The Pentecostal churches' ability to mutate certain features of the exiting Christian churches and offering an enabling environment for people to adjust to changing times (Harvey, 1996 in Anderson, 2000) are seen as key ingredients for growth of this movement, including in Africa.

Healing and power to exorcise evil spirits is propagated in Pentecostal theology (Onyinah, 2007) with the emphasis that if one received the holy spirit and became born-again (experience a new being after confession of sin and submission to Jesus Christ) they would be rid of afflictions in their lives (Anderson, 2000). Gifford (2004) alludes to this by arguing that the promise to deliver believers from factors that prevent or hold their progress (often referred to as evil forces) found favorable reception among Africans who experienced diseases and traditional African practices of witchcraft that were common in the 1970s when Pentecostalism found it's footing in Africa (Anderson, 2000).

Testimonies are also a very important aspect of Pentecostal churches ideology because they help

to reinforce the idea of transformations and achievement of results through partaking in Pentecostal church practices (Chan, 2000; Burgess, 2008). Powerful public testimonies of deliverance from afflictions, poverty, career stagnation among others serve as a powerful tool to draw new members to the Pentecostal churches (Menzies, 2007).

Emphasis on visual presence in the communities is quite a common defining feature of Pentecostal churches, as Gifford (2004, p.170) puts it, "...there are charismatic prayer centres, all-night services, conventions, crusades and Bible schools... evident in new buildings, bumper stickers and banners, and particularly, the posters that everywhere advertise an enormous range of forthcoming activities." Onyinah (2007) describes a similar situation in West African countries where Pentesoctal churches are dotted along streets with catchy names and the situation in East Africa is not different where open spaces and the most unconventional locations like cinema halls are used by Pentecostal churches as places of worship (Parsitua & Mawaura, 2010). In the Ugandan scenario, Bremner (2013) writes that the capital city Kampala has a rich variety of churches both small (operating in make shift, often rickety structures and few members) and big one spanning the length and breadth of the city. She identifies the more established bigger churches (size of buildings and attendance) as including Miracle Centre Catherdral, Watoto Church, Liberty Worship Centre International and Christian Life Ministries and notes that some of the churches take their worship outdoors like the sprawling woods outside the capital city that house the Prayer Mountain.

The gospel of prosperity, which is of particular interest to this thesis, is another major feature of Pentecostal churches (Parsitau & Mwaura, 2010; Gifford, 2004; Bremner, 2013; Ogunbile, 2014; Attanasi & Yong, 2012; Horn, 1989). It becomes imperative therefore to take a look at this facet of Pentecostalism which ties in closely with the economic fabric of society.

The discourse on prosperity gospel swings between the quid-pro-quo ideology that advances the idea that one must sow in order to harvest/reap and the acknowledgement that one doesnot have to be poor in life (Lauterbach, 2006) and as Gifford (2004, p.171) states, success is unequivocally cherished by Pentecostal churches because "A Christian is a success; if he or she is not, there is something very wrong." This is perhaps one of the areas that has attracted the greatest amount of criticism as many churches are considered to be too much oriented to the idea of accumulating wealth and financial resources. In an article titled 'Transformational Tithing Sacrifice and Reciprocity in a Neo-Pentecostal Church', Premawardhana (2012) examines the energetic zeal

with which many Pentecostal churches secure funds from their followers, some of whom are ironically driven to these churches because of poverty. The author adds that these donations unfortunately are squandered by the heads of these churches for their own personal. Though the focus in that article was on Brazil, it never the less resonates well with the situation in many African countries. For example, the government of Uganda, in a bid to manage excesses, introduced a proposed policy document to try and regulate the activities of the Pentecostal churches (which are now recognized as faith based organizations) under the watch of the directorate of ethics and integrity which was met with fierce opposition from these churches who argue that their moral code is derived from God and therefore do not need a policy document that would be used by the state to meddle in their affairs (Kasadah, 2017). Attanasi & Yong (2012) provides a Chinese perspective on prosperity gospel by describing the virtues of business people in Wenzhou, China, who hold that all those in the community who would like to be bosses can become bosses and this entrepreneurship spirit, according to the authors, is closely modelled by the Christian leaders in the locality adding that the donation of millions of Chinese Yuan (local currency) by entrepreneurs toward church projects is informed by their faith – Christianity.

### 1.2 Analysis of problem

The enactment of entrepreneurship in Pentecostal churches is construed by Iheanacho and Ughearumba (2016) as making use of God's word to earn a living, material benefits or financial rewards from those who are believers. However, as the previous chapter illustrates, this can sometimes be considered provocative. Drawing on Max Weber's (1930/1992) position that the protestant work ethic in the 16th and 17th century greatly laid the basis of capitalist tendencies expressed in entrepreneurial pursuits, it is suggested that the central focus of the protestants was solely on work and material success. The thesis investigates if this Weberian capitalist tendency can be identified within the Pentecostal churches in Uganda. Heslam (2016) also notes that there is a noticed economic renaissance in geographical locations where belief in religion has risen, noting that Pentecostalism growth is accounted for mostly by the southern hemisphere. However, as Schumpeter (1934) argued, entrepreneurs can bring innovations into the world in many different ways and today social innovation is becoming an increasingly important aspect of entrepreneurship Borquist & de Bruin (2016). Thus, investigating whether the Pentecostal churches are thus enacting mainly profit-driven entrepreneurship or also engage in other forms of entrepreneurial

activities, helps to bring into focus the theoretical propositions by Baumol (1996). That is that some entrepreneurial activities may be productive, unproductive or destructive depending on whether they contribute to the pursuit of common social goals and impede production and social advancement.

Felix (2017) adds that some of the Pentecostal churches in Uganda have been labeled as exploitative when they ask their followers to give one-tenth of their earnings to the church and sometimes outright sale of ordinary commodities branded as holy to the followers at exorbitant prices. Thus these entrepreneurial tendencies are seen as destructive, leaving many church followers in deeper poverty. With the above state of affairs as reflected in media debates in Uganda, it is important for this thesis to further explore this portrayed image of some of the Pentecostal church leaders as typical entrepreneurs out to make money by examining the entrepreneurial activities in the Pentecostal churches in Kampala and analyzing whether they are productive, unproductive or destructive as well as the implications of these activities In essence, Baumol (1990) provides a theoretical reference to analyze the entrepreneurial activities while writing about productive, unproductive and destructive entrepreneurship, arguing that the list of entrepreneurial activities is quite long and not all conform to the achievement of social goals or if their pursuits impede production – heavily influenced by what works well in the economy, described as "the rules of the game" (p.899).

### 1.3 Research Questions

- 1) What entrepreneurial activities exist in the Pentecostal churches in Uganda?
- 2) Can the entrepreneurial activities in the Pentecostal churches be described as productive, unproductive or destructive and what are their implications?

### 1.4 Objectives and purpose of the study

The study seeks to explore the entrepreneurial activities in Pentecostal churches in Uganda and establish if such activities are productive, unproductive or destructive to the churches by analyzing whether they help improve the spiritual, social or economic aspects of the church members and the community.

This study will help to add literary resource to account for the growing entrepreneurial activities

in civil society that is context specific to Uganda. This could be of benefit to the regulatory authority overseeing faith based organizations in Uganda (under which churches are categorized) to ensure they do not lose focus of their officially defined roles and remain relevant to the needs of the society through regulatory policy.

This thesis is structured in sic chapters. Chapter one sets the background to the thesis research topic and elaborates problem by bringing the specific context of what exists that needs to be investigated, provides the research questions that guide the research and the states the objectives and purpose of the thesis.

Chapter comprise review of the literature that is relevant for the thesis and the empirical findings. The methodology chapter covers how the study is conducted highlighting choice and reasoning of research methods that help to answer the two research questions.

The findings chapter presents a background of the respondents interviewed and presents the findings and results from the interviews and other data sources used.

The presented empirical findings are then analyzed in the in the analysis and discussion chapter. Chapter six presents the conclusions of the thesis derived from the analysis and discussion section, presenting the contribution of the thesis and ends with suggested topic for further research.

### 2.0 REVIEW OF RELATED LITERATURE

In this chapter the literature that forms the basis for this thesis is presented which will later be used to analyze the empirical findings. The literature review covers theories of entrepreneurship in civil society, entrepreneurship as creative destruction, enterprise values in the church, manifestation of entrepreneurship in the churches, linkage between religion and economic participation, productive, unproductive and destructive entrepreneurship, stakeholder analysis, implications of entrepreneurial activities and previous studies on impact of entrepreneurial activities in Pentecostal churches. The chapter is concluded with a matrix developed to further provide an interconnection of the theories and address the gaps identified in previous theory.

### 2.1 Entrepreneurship in civil society

There is a growing body of research in the area of entrepreneurship in civil society which is referred to as civic entrepreneurship. This is a departure from the traditional focus of

entrepreneurship on economic gain, described by Baumol et al. (2007) as the driving force behind growth of economies and prosperity. One of the mainstream definitions of entrepreneurship by Shane and Ventarkaman (2000) looks at entrepreneurship in relation to discovering, evaluating and exploiting opportunities that are identified so as to produce goods and services for future use. In essence the point of distinction is the intention of the entrepreneurial action, either profit seeking or societal benefit (Leadbitter, 1997; Westlund, 2001).

It is argued in Lundqvist and Karen (2010, p.27) that civic entrepreneurship falls under the discourse on societal utility "...characterized by regional actors from business, the public sector, and the academy stepping outside their "boxes" and joining forces to enable entrepreneurial activity and regional development."

On the other hand, civic entrepreneurship, according to Etzkowitz (2014) overlaps between humanistic entrepreneurship and social entrepreneurship because civic entrepreneurship can be for one's own benefit and for social groupings, and both to create social good and also realize improvement for individual and community.

The main driving force behind civic entrepreneurship is the interest of the public (Banuri et al., 2003) and it explores how social capital can be built in new ways and tapping ideas that already exist along with ways, discoveries, technological leaps and systems aimed at common benefit. tries To differentiate civil entrepreneurship from social entrepreneurship Westlund (2010, p.3) notes that the "...the social entrepreneurship literature stays closer to the economic dimension in that it can include business activities as long as they have social values as their prime aim. Civil entrepreneurship, on the other hand, is a term used for entrepreneurial activities in the civil/civic society, i.e. outside the private and public sectors."

The civil/civic sector includes educational, cultural, religious and non-governmental organizations. Nwanko et al. (2011, p.55) note that the way the churches are administered bears the hallmarks of entrepreneurial mindset and that, "Some of the larger Pentecostal churches appear to model their organizations in the form of big businesses (especially not-for-profit firms) in many respects" like using prime advertising slots for their advertisements so as to pass their messages across. The aesthetics feel and style of such advertisements is more like for big commercial establishments. Writing about Max Weber's proposition on religion and economic behavior, Blum

and Dudley (2001) observe that Max Weber's thesis, *The Protestant Ethic and the Spirit of Capitalism*, lays the proposition that the vivid spiritual activities of the protestants provided a catalytic force for modern day capitalism to thrive.

### 2.2 Entrepreneurship as creative destruction

The discourse on entrepreneurship many times portrays entrepreneurs as heroes (Puumalainen et al., 2015) especially those have successfully started their own enterprises. However, far from it, there are often consequences, some negative effects or draw backs from an entrepreneur successfully pulling off an entrepreneurial venture. This implies that it is pertinent to consider both the positive and negative outcomes of pursuing entrepreneurship which is what Joseph Schumpeter's view on entrepreneurship seems to capture quite well – creating new things while destroying some existing ones.

In the process of starting innovative activities, as new products/services are created some are also rearranged or destroyed. This process of altering the status-quo is what Schumpeter describes as creative destruction (Kirzner, 1999). Under this discourse, the entrepreneurs are portrayed as aggressively focused and actively engaged in their innovative pursuits that essentially constitute capitalist tendencies and Schumpeter considers these as a kind of evolutionary process (Elliot, 1980). This is often accompanied by turbulence, restlessness, resultant unpredictability and wide ranging reallocations of livelihoods (Schubert, 2013). Creative destruction is characterized by the features that "It comes from within the economic system and is not merely an adaptation to exogenous changes"," ... occurs discontinuously rather than smoothly", "... brings qualitative changes or 'revolutions,' which fundamentally displace old equilibria and create radically new conditions" (Elliot,1980, p.46). This creative force from within the economy which rearranges the status quo and gives rise to new forms of enterprises can take any of these five manifestations (Sledzik, 2013, p.90);

- New product launch or introducing a new version of existing known product
- Improved new production process or product sales (not yet industry proven)
- Access to a new market opportunity (whose market was not yet represented in the industry)
- Gaining access to strategic resources like new supply of raw material or goods not yet ready for the market
- Emerging new structure within an industry like monopoly creation or its destruction.

This entrepreneurial process therefore bears both positive and negative outcomes and this Schumpeterian view of the entrepreneur provides a basis on which Baumol (1990) builds the analysis on productive, unproductive and destructive aspects of entrepreneurship.

## 2.3 ENTREPRENEURIAL ACTIVITIES WITHIN THE PENTECOSTAL CHURCHES

An overview of historical context on enterprise in the church, manifestation of entrepreneurial activities in churches and examination of the link between religion and economic participation are discussed in this section to enable the process of situating the kind of entrepreneurial processes that this thesis reflects upon.

### 2.3.1 Historical context on enterprise in the church

The great commission on evangelism in the bible, according to Bosch (1984, p.1), is contained in Mathew 28: 19-20, empowering Christians followers to "<sup>19</sup> Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, <sup>20</sup> and teaching them to obey everything I have commanded you. And surely I am with you always, to the very end of the age." With the great commission as a launch pad, there is a flurry of modern day evangelism under the Pentecostal movement with many churches flourishing under the tutelage of flamboyant pastors with exuberant lifestyles.

An account of early church beliefs is provided by Dodd and Gotsis (2009) and explore the values of enterprise passed on to the middle aged church membership (between AD 24 and AD 30) in Jerusalem by the leaders of the churches. They note that economic activity which resulted in surplus income was seen merely as a way to keep the honor of the family within their social environment and any attempts for one to enrich themselves was not accepted as it was considered as depriving others of finite (scarce) resources. In other words, trade and society were so embedded together that pursuing economic gain was frowned upon.

Analysing ancient economic practice would be incomplete without mentioning the early Greek thought on the same (Schumpeter, 1982). The Solon constitution of 6<sup>th</sup> century BC is cited as an example of disapproval of money lending for profit which was supported by the views of Plato and Aristotle that charging interest on the desperate people in need was a dishonorable thing to do since the main purpose of money was that of exchange of value but not accumulation of wealth

(Dodd & Gotsis, 2009). Plato was specifically against the practice of putting the profit motive as the center of economic activity to build private wealth since it took the focus away from pursuance of important goals related to the mind (mental growth), the physical being and spiritual growth (Karayiannis, 1990 and 1992) whereas Aristotle was more welcoming to the idea of making money so as not to be in poverty and especially as a way for provision of essential services by the state.

The above acceptance of the positive influence of entrepreneurial activity especially in regards to provision of public services while objecting the charging of interest laid a context in the cultural sense for the early church extending beyond Israel and Judea into the Roman empire spanning the days of Jesus and apostle Paul. The economic situation obtaining in Israel (Judea) at that time shaped the views of the people on enterprise and economic activity encompassing mainly their responses to scarcity, which Dodd and Gotsis, (2009, p.103) describe as "...toil, innovation, faith (of both Abraham and Moses), wisdom, law, mediating and the apocalyptic solutions of the dispossessed." Through stories, toil was seen as punishment for sin (disobedience) of Adam and Eve; innovation as economic progress was demonstrated as God's mercy upon man's misdemeanor seen in the works of Noah building the ark, the rise of the tower of Babel; faith is construed as fervently obeying God's command resulting in economic success in the case of Abraham; wisdom is described through the shrewd managerial style and stewardship of Joseph when he was ruler of Egypt; law relating to God's promise is demonstrated through the journey of the Israelites to the promised land and touches on elements of regulation of people's welfare and writing of debts and restriction on charging unreasonable high interest; mediation was demonstrated in the sense of Israel's prosperity being resting upon their role of mediating between God and other nations of the earth and apocalyptic solution are described through Godly intervention to bring down powerful people that oppress others. These responses are tied together by the belief that all the problems would be addressed if they sought the kingdom of God, implying relegating personal power and material possession to the back their list of priorities (Gordon, 1986).

### 2.3.2 Manifestation of entrepreneurial activities within Pentecostal churches

Following the background of Pentecostal churches provided in the introduction and some of the common features highlighted, it is pertinent to look at the kinds of entrepreneurial activities

enacted within the churches. Referring back to the problem analysis, there were multiple facets of entrepreneurship under which entrepreneurship is enacted, classified variously depending on whether their main motive is profit or social benefit (Leadbitter, 1997; Westlund, 2001). Churches are situated by Etzkowitz (2014, p.6) under humanistic entrepreneurship which he defines as "... a project for enhancement of the quality of human life, as an individual or community member, through religious, spiritual or artistic knowledge." Some authors prefer to use the term civic entrepreneurship (Banuri et al., 2003: Lindquist & Karen, 2010) while others go further to create a distinction between civic and social entrepreneurship (Westlund, 2013). Borquist & de Bruin (2016) considers entrepreneurship within the church space as faith-based social entrepreneurship, therefore encompassing a broader category including commercial activities, social transformation and church mission. It is along this line that some of the entrepreneurial activities will be situated. A number of issues seem to be responsible for crystallizing the decision by churches to take the path of faith-based social entrepreneurship. The external environment within which the churches operate is rapidly evolving politically, socially and economically; demand to deliver service and yet remain on a sound financial footing; reduced government welfare programs; redirection of corporate donations away from churches towards preference for support to causes; lots of not-forprofit organizations queueing up for the finite funds from donors; growing numbers of those that are destitute as result of diseases, natural calamities and human-induced disasters and therefore requiring help; economic melt-down in some parts of the globe in the 1980s and reliance of the emerging churches on American help contributed in varying proportions to the involvement of churches in entrepreneurial activities (Borschee, 1998; Anderson, 2000; Borquist & de Bruin, 2016).

Many of the Penetecostal churches are organized like a typical firm (Ukah, 2007, p.15) and in a bid to compete with other churches "...as a carryover of the American influence, these churches are organised as firms or commercial enterprises engaged in the production, distribution and pricing of religious and non-religious commodities with primary motives of making satisfactory profit and maintaining a market share." The types of commodities sold include publications of various types, audios, videos, church related memorabilia, among others.

Another aspect illustrating entrepreneurial thinking is the requirement to sow a seed (money) in

order to be able to receive back financial rewards (Chitando et la., 2014) which is akin to investing with an expectation of a future return. Many followers make personal financial sacrifices and the control of these monetary resources is vested solely in the hands of the founder of the church (Ukah, 2007).

Additionally, modelled along firms operating in a competitive economy, some of the churches have responded to the threat posed by other churches by adopting a specialisation strategy through carving out market niches that they appeal to (Ukah, 2007) with some churches only offering deliverance from demonic spirits, others specialized in providing solutions to marital problems and others handling healing from health-related complications.

Another typically entrepreneurial activity is charging a fee for services resulting in what is described as earned income (Borschee, 1998) and this can be done within the confines of mission goals for example a fee charged for wedding couples in the Pentecostal churches.

Many churches are taking on the role of provision of some of the social services, charging a nominal fee for the services as Clarke (2007, p.88), notes "In many countries in sub-Saharan Africa Faith Based Organizations account for more than half of health and education provision". In the case of Uganda, the pentecostal churches have particularly been hailed for their effort in delivering social (Bremner, 2013) services in support of Uganda government's fight against the AIDS epidemic that ravaged the country in the 1980s. Some of the educational instutions in Africa actually owe their beginnings to the religious institutions including Pentecostal churches (Onyinha, 2007).

### 2...3.3 Linking religion and economic participation

The importance of the relation between religion and entrepreneurship merits scholarly attention as Dana (2009, p.88) puts it, "Studies that investigate entrepreneurship as if it were an isolated phenomenon – derived from the self and based on the psychological traits of the entrepreneur risk ignoring important causal variables arising from the environment, including the religious milieu." The work of Max Weber is a good starting point for the discourse on economic participation by the Christians. Weber (2002) suggested that the existence of the world is intended to glorify God and therefore to achieve that required all efforts to create a wealthy and prosperous world where

social benefit is promoted. This meant that the Puritan protestants had to dedicate their lives toward this cause of creating a prosperous world and hence reduced the temptation to engage in unwanted desires. This work ethic among the protestants driven by the desire to attain salvation is what Weber (2002) attributed as the driving force behind the growth of economic activities but not the pursuit of wealth.

### Religion as space for creation of social capital

Religious institutions are a good place to build social capital and network for entrepreneurial purposes (Henley, 2017) and the social capital built through faith based organizations can be due to "...the perception of a common threat, as feelings of duty, respect, and loyalty, as norms of solidarity or service" (Candland, 2000, p.129). Belonging to a Pentecostal church brings with it the opportunity to create networks with various individual with diverse skills and backgrounds. Social capital (unique resources that may be tangible or intangible accruing from social interactions), in addition to the traditional capitals (land, labor, finance) is being increasingly recognized as a contributor to the entrepreneurial process (Greve and Salaff, 2003) which is echoed in Zimmer's (1986) consideration of entrepreneurship as a socially embedded process that is positively or negatively influenced by the nature of interactions among individuals in their social setting.

Social capital can have tremendous benefits according to Woolcock (1998, p.187) especially "...when people are willing and able to draw on nurturing social ties (i) within their local communities; (ii) between local communities and groups with external and more extensive social connections to civil society; (iii) between civil society and macro-level institutions; and (iv) within corporate sector institutions. All four dimensions must be present for optimal developmental outcomes." The view by Candland (2000) seems to resonate with the Woolcock's (ibid) notion above of a number of factors combining to create social capital and determine whether it is positive or negative. The amount of government participation through its policy impacts on social capital generation and is said to have a negative impact where government/political actors that use the religious institutions as vehicles to push forward their agenda. Faith based organizations thus tend nurture more social capital where the level of political meddling through a state religion is least (Candland, 2000, p.145) and it is worth noting, however, that social capital may not always be positive, especially where the commonalities or differences from other groups are harnessed for

acts of religious extremism that may destroy economic activities.

Religion as a repository of values

The impact of religions, albeit informally, on society makes an interesting case for reflection by economists (Njoku, 2014). The author points out that as religions impart ethics and moral code among their followers, these desirable aspects tend to be illuminated into the economic practices. The role played by the church as an institution also comes to bear on the membership as they often transfer the ways learnt in the church to their economic relationships. Religion serves the important role of imparting desirable traits in their membership. The value systems built and propagated by these religious institutions are the fabric that holds them together, which are in turn shapers of the space for enacting entrepreneurship as well as the entrepreneurial activities (Dana, 2009; Henley, 2017). A study on religion and entrepreneurship participation and perception on entrepreneurship by Carswell and Rolland (2004) among 2000 New Zealanders interestingly revealed that even though the participation in entrepreneurial activities was more among non-Christians in the study, the Christian values (roots) of New Zealand were hailed as a contributory factor in nurturing the spirit of enterprise in the country. The value of networks and community support was also credited as an important factor influencing participation in entrepreneurship. Regarding their perception of entrepreneurship, religious values were also cited as factor shaping how people view entrepreneurship notably performing what is good to be able to attain favor after the earthly life and this lends to value of contributing to societal benefit as a favorable point of consideration to determine if entrepreneurship is good or not. Values thus clearly dissipate from the social environment to the pursuits of the individuals exposed to these values and entrepreneurship is no exception to this contagion effect.

Henley (2017) holds that forms of contemporary religious manifestations (Pentecostalism included), while not directly influencing entrepreneurial activity, through cultivating defined norms of behavior and embracing diverse co-existence fuel entrepreneurial actions (Dodd and Gotsis, 2007)

## 2.4 PRODUCTIVE, UNPRODUCTIVE AND DESTRUCTIVE ENTREPRENEURSHIP

Baumol's (1990) discussion of productive, unproductive and destructive entrepreneurship builds on Schumpeter's (1934) list of innovative roles of an entrepreneur by additionally examining factors responsible for an entrepreneur's decision to channels their entrepreneurial efforts to the

innovative roles. Thus Schumpeter's (1934) roles attributed to the innovative entrepreneur, cited in Baumol (1930, pp. 896-897), are "...the introduction of a new good...or of a new quality of a good", "The introduction of a new method of production, that is one not yet tested by experience in the branch of manufacture concerned...", "...The opening of a new market, that is a market into which the particular branch of manufacture of the country in question has not previously entered...", "...The conquest of a new source of supply of raw materials or half-manufactured goods, again irrespective of whether this source already exists or whether it has first to be created" and "The carrying out of the new organization of any industry, like the creation of a monopoly position...". Many Pentecostal churches in Africa essentially model the innovative behaviors of entrepreneurs highlighted by Schumpeter (1934), albeit in a church setting, in that the Pentecostal movement in essence is a new exciting addition to the religious milieu which had not yet been tested before (Gifford, 2004; Onyinah, 2007).

Of peculiar interest is the fact that Baumol includes activities that are construed as unproductive in recognition of the fact that in an effort to attain the highest utility not all people engaging in entrepreneurship will mind about the improvement of common benefit or if their activities stifle the production function. The role of the external environment is captured strongly as one of the key points that determine the activities that particular entrepreneurs prefer compared to others, especially relating to the prevailing sets of regulations guiding entrepreneurial conduct (Baumol, 1990, p.898). When institutions and prevailing rules favor certain activities or discourage others, the entrepreneurial choices are thus allocated, other factors held constant, and the outcomes of these activities in terms of improvement of common good or improving productive capacity will measure their usefulness. It is also acknowledged here that owing to the variation of circumstances, numerous entrepreneurial activities will exist with some falling by the way side while new ones emerge based on their suitability to prevailing conditions and the entrepreneurial ability.

Another issue of relevance to the economic view on entrepreneurial activities is the property rights relating to what comes out of entrepreneurial activities within the Pentecostal churches. One could therefore ask; who owns the real estate, cars, finances and other assets that are a result of these entrepreneurial activities and how are they shared?

The argument of Foss and Foss (2000) is that an entrepreneurial activity becomes unproductive if an individual holds limiting rights over an activity, or process or asset resulting in reduction of the

common benefit and vice-versa. They look at economics of entrepreneurship from the point of view of property rights by examining three aspects, namely, the space for making contracts is always freely open to enable new avenues of value creation, that these avenues may not contribute to common improvement or gains and that in instances of contracts that are incomplete, the common benefit is likely to reduce as the relationship between the principal and agent is likely to be exploited. They argue that since the abilities of entrepreneurs have an impact on the level to which they can organize productively, the relationship of the principal (funders) and agent (entrepreneur) becomes of crucial importance.

Acs et al., (2013) on the other hand look at social value creation to determine whether an entrepreneurial activity is productive or not. Reflecting on Baumol's (1990) proposition that entrepreneurial activity is mainly driven by entrepreneurs' desire to be more wealthy, more prestigious and more powerful (maximization of utility) resulting in productive and unproductive or destructive effects, they note that the poorly developed institutional capacities obtaining in many developing countries provide a rich ground for enactment of the unproductive rent-seeking behavior (redistributing resources from those who have little to those who have more) and other non-beneficial practices.

Desai et al., (2010) adds a further dimension to this discourse by reflecting deeper on the aspect of destructive entrepreneurship that is not discussed at length by Baumol (1990). They make the case by using 3 assumptions (Acs et al., 2013) that; in agreement with Baumol (1990), entrepreneurs are relatively the same and motivated by economic gain but their sets of activities do change; that, in consonance with the views of Foss and Foss (2000), from the perspective of relationship between agent (entrepreneur) and principal (contributors of funds), the agent may misappropriate or channel funds or other productive assets for private use without due authorization or consent; and that because of the heterogeneity of entrepreneurs their levels of patience towards achieving their targets varies – some seek quick returns while others have a longer term perspective on returns. The authors cite the trade of Africans as slaves as one of the clearest manifestations of destructive entrepreneurship – profiting from transferring the productive resource (labor) from one continent to another without consent of the authorities. The discourse in Desai et al.'s (2010) destructive entrepreneurship framework also touches on the view that entrepreneurial activity requires finances and that the entrepreneur acquires some of these funds from other sources

outside. Extending that discussion to the context of churches, many of the Pentecostal churches exhibit this external funding mechanism because a lot of them rely not only on funds from the founding pastors but also on external funds from well-wishers, donors and church members among others. As explained under the common features of Pentecostalism, (Premawardhana, 2012; Ukah, 2007) observe that the activities of Pentecostal churches are mostly financed through donations and collections from both church members and outsiders.

Sauka and Welter (2007) extends the discussion by suggesting that Baumol's (1990) suggested productive, unproductive and destructive activities need to be considered in totality with the results of these activities and therefore put forward that, grounded in institutional thinking, a suitable yard stick for classification would be based on the conformity or deviance of entrepreneurial activities. Conformity would encompass meeting tax obligations, adherence to legal norms, engaging in competitive practices that are fair whereas deviance would include corrupt practices, activities that are deemed illegal and practices that do not meet ethical standards, among others. Ruta (2003) affirms this view by analyzing the productivity or unproductivity of entrepreneurial activities through their results (outcomes) and notes that the forces that precipitate an individual's path towards either productive or unproductive entrepreneurship are both external (environmental) and internal (personal to the entrepreneur). The role of institutions and the government (Sauka, 2008) such as government anti-corruption mechanism, access to funding sources, to name a few, can be cited here alongside behavioral influences of the entrepreneur like risk-taking disposition, appetite for short term or long term returns and skills-set relevant to pursue opportunities. Though Ruta's (2003) focus is on transition economies in Europe, this perspective still holds some relevance to the situation obtaining even in developing countries where entrepreneurial decisions are influenced by both externalities and the attributes of the individual leading the entrepreneurial process. Where weak institutions governing trade and commercial activities exist like in developing countries including Uganda, it is therefore not uncommon to discern practices that may not conform to regulatory standards including not adhering to labor laws on employment contracts, skipping statutory returns, among others.

Dodd and Gotsis' (2009, p.108) analysis of enterprise values in prior and biblical text perhaps helps to make a lot clearer how the narrative on productive, unproductive and destructive entrepreneurship fits in this discourse. This enables this thesis to juxtapose those practices to the

current day entrepreneurial activities recognized in the Pentecostal churches. They cite the unacceptable practices among the early Christian entrepreneurs as including "pursuit of wealth as a life goal", levying interest on loans thereby locking out aspiring entrepreneurs with limited assets from accessing funds to engage in entrepreneurial activities, along with frowning upon employee exploitation by business owners. On the flip side, they enumerate what constitutes acceptable practices among Christians focusing on ethical dimensions of the practices thus including "...using fair measures, paying suppliers and workers on time, not overcharging or engaging in price discrimination, and not 'fixing' legal processes." (ibid, p.109). These practices which are seen as promoting/improving the social benefits fall within the nexus of the productive-unproductive entrepreneurship debate, further illuminating the relationship between religion and entrepreneurship. Thus Henley (2017, p.601) contends that, "The perceived feasibility of entrepreneurship (entrepreneurial self-efficacy) may be influenced, again both positively and negatively, by the impact of religion on social networks, social capital and societally expressed constraints on individual behavior (such as actively restricting on religious grounds certain forms of business venturing activity).

### 2.5 IMPLICATIONS OF ENTREPRENEURIAL ACTIVITIES

With the overview of productive, unproductive and destructive entrepreneurship provided above, it is then imperative that one considers what it means for the enterprise if they engage in one or more of these strands of entrepreneurship because how they are perceived has something to do with what they contribute to or take away from the society.

We can take a detour and return to the definition of entrepreneurship for direction. Davidsson and Wicklund's (2001) article on the outcome level analysis of entrepreneurial activity provides a suitable theoretical ground to analyze the implication of such activities. Their work centers on the definition of entrepreneurship attributed to Low and Macmillan (1988) who contended that existing definitions did not consider the firm level and external influences on entrepreneurial activity, which are often interwoven, therefore resulting in an incomplete assessment of outcomes from entrepreneurial activities (also Fritsch & Falck, 2003; Chiles et al., 2007). Thus, Low and Macmillan (1988, p.141) suggested that entrepreneurship is "the creation of new enterprise", directing their focus on the totality of factors that impact on entrepreneurial actions, and consequently the progress of the economy, considering the individual organizing the productive

resources (entrepreneur), the aggregate of enterprises engaged in similar or related activities and the implications on the society. This multi-level analysis of entrepreneurship, expounded by Davidsson and Wicklund (2001) is adopted by this thesis to illuminate implications based on perceptions of entrepreneurial activities within the Pentecostal churches in Uganda.

The point that is being raised in ibid (2001) is that it is important to consider factors attributed to the individual, teams of people, the firm, the industry's life cycle, regional efforts (industrial zoning) and national level factors (legal, cultural, tax, education and infrastructure parameters) in analyzing the creation of new firms and ultimately their impact on the economy and society.

Lending to Baumol's (1990) proposition that the contribution of new enterprises towards the

Lending to Baumol's (1990) proposition that the contribution of new enterprises towards the enhancement of economic life may be negative, it is suggested by Davidsson and Wicklund (2001) that firm level outcomes do not necessarily result in similar outcomes at the aggregate stage and they cite the example of peddling drugs and litigation that curtails the economic rights of others (rent-seeking action) as some of the entrepreneurial activities that have negative outcomes on the growth of the economy.

The acknowledgement of competitive forces within the entrepreneurial space resulting in collapse of some enterprises adds credence to the positon that firm level outcomes may be negative and yet at the aggregate level the economy might have gained from the competitive forces at play. Thus Davidsson and Wicklund (2001) put forward the combination of probable outcomes of new enterprises, reflecting the perception about their entrepreneurial activities, namely, hero enterprise, robber enterprise, catalyst enterprise and failed enterprises represented in the figure below.

Figure 1.

	Individual level outcome				
	_	+	_		
el outcome	+	I Hero Enterprises	III Catalyst Enterprises		
Societal level outcome		II Robber Enterprises	IV Failed Enterprises		

New enterprise outcomes on multi-levels

Source: Davidsson and Wicklund (2001) in Cuervo et al., (Eds.). (2007). *Entrepreneurship:* concepts, theory and perspective. Springer Science & Business Media

It follows from the above representation advanced by Davidsson and Wicklund (2001) that *hero enterprises* are perceived as those that achieve positive outcomes at multiple levels - individual and societal levels (enhancing personal gains while also contributing societal gains) when they combine productive resources in new ways; *robber enterprises* are those perceived to generate wealth for the individual person but not for the society; *catalyst enterprises* are those that collapse but leave behind new ideas that other enterprises seize and build on or those that generate competitive spirit resulting in innovations that benefit the society; and *failed enterprises* are the genuine cases of ideas that are tried and fail to take off therefore having no impact on other players in the economic space.

The thesis leans to this outcome level analysis to determine the implication of entrepreneurial activities within the Pentecostal churches in Uganda. Looking from the lens of their outcomes on individual and societal level, we try to fit these church-based enterprises in the four quadrants proposed by Davidsson and Wicklund (2001). Awareness of this can help regulators check the activities of the Pentecostal churches to ensure that the welfare of the society is not compromised and at the policy level this can contribute to a better understanding by the government if there is a zero net effect (zero sum game) of entrepreneurial activities in the economy where as one

enterprise gains, another one loses.

### 2.5.1 Impact of entrepreneurial activities done by churches- previous studies

A number of previous studies have attempted to map the implication of adopting an entrepreneurial orientation in faith based organizations by studying whether they have a negative or positive impact on the church/organization and its followers.

One study based on the suggestion that superior performance accrues to businesses that adopt an orientation that is entrepreneurial (Pearce et al., 2010) tested if such an orientation yields similar outcomes in faith based (religious) organizations based on the rational choice approach to religion which takes an economic view to the outcomes of competitive practices in the not-for-profit space. Entrepreneurial orientation comprises "...a set of distinct but related behaviors that have the qualities of innovativeness, pro-activeness, competitive aggressiveness, risk taking, and autonomy" (Pearce et al., 2010, p.219) These typical traits exhibited by entrepreneurs help the process of resource allocation and usage so as to create a competitive edge and smoothen the market entry process therefore positively influencing performance in especially in manufacturing undertakings and service industry.

The study by Pearce et al. (2010) investigated the impact of competitive practices adopted by not-for-profit religious organizations on the choices that their followers make. It was motivated by the fact that religion features prominently as an ingredient/part of global as well as domestic issues and religious organizations play a significant economic role in terms of contributions and what is given for charitable causes. The role of the environmental variables was considered, taking into account how complex it is, how flexible or dynamic it is and considering the level of abundance of supportive resources that the organization can access, also referred to as munificence (Finke and Stark, 1988; Dess and Beard, 1984; Castrogiovanni, 1991).

Other previous works focusing on for-profit firms formed a basis to compare this study with. For example, the availability of favorable environmental variables was found to positively influence firms' performance (Hansen & Wenerfelt, 1989) and adoption of an innovative approach, taking risk and being proactive were also said to positively influence performance of a firm (Becherer and Maurer, 1997; Altinay and Altinay, 2004).

Focusing on religious institutions, this study of 250 religious congregations situated in five diverse areas (Pearce et al., 2010) revealed a positive association between entrepreneurial orientation and performance of the congregations.

Another study of the impact of churches engaging in entrepreneurial activities examined the contribution of churches in Ghana to the emancipation of the underprivileged poor through offering microfinance services in fulfillment of the social mission of the church (Kwarteng and Acquaye, 2011). The study was conducted among 10 churches in Accra, Ghana, using informal interviews and questionnaires and sought to establish whether the congregation received any form of financial help from the churches. The results affirmed that the churches studied offered diverse forms of financial aid to vulnerable groups like children, orphans, widowed people and prisoners among others. (ibid, p.310). The church has previously been overlooked in the discourse on provision of access to financial services to the poor yet the main stream financial service providers are cold in their approach to the marginalized poor. The Ghanaian churches have stepped in to fill this void of extending pro-poor financial services that is traditionally a preserve of traditional financial institutions and some examples cited in Kwarteng and Acquaye's (2011) study include the Royal House Chapel which provides start-up capital to women entrepreneurs, interest free loans offered for a period of between six to twelve months by Conquerors Chapel International to church members.

The study also revealed that other value added services are provided to the church members especially in building their capacity to optimally utilize the assistance extended to them. It is revealed that Conquerors church in Accra, Ghana "...routinely organizes professional seminars that prepare participants to broaden their business knowledge, expand their businesses and manage their finances" and "...organizes excursions to companies, in order to afford its congregants an opportunity to understand how these businesses operate" (ibid, pp 315-316). On the other hand, Royal House Chapel takes care of knowledge sharing among its members who run businesses through what it calls Kings club through which members network and share business ideas and information.

The findings of the study reveal that some of the innovative business practices are demand driven and actually provide solutions to real needs in the society with reference to financial literacy and access to micro-finance by the poor. Moreover, this to some extent allays the fears that many of

the Pentecostal churches that emphasize the prosperity gospel are only siphoning funds from their members without giving back. These examples cited in the study by Kwarteng and Acquaye (2011) illuminate the discussion on whether churches that exhibit entrepreneurial tendencies are productive or otherwise by showing that what the church members give comes back to help them in other innovative entrepreneurial ways as the churches enumerated have demonstrated. Moreover, the same study reveals that prominent educational institutions have been established by some of the churches for example Central University affiliated to International central Gospel church was established in 1999 while Pentecost University affiliated to the church of Pentecost was established in 2003 and the various finance-related courses taught in these institutions provide avenues for "...diffusion of managerial attitudes, financial skills and values that are conducive to financial self-reliance" (Kwarteng and Acquaye, 2011, p.315), literally taking up the role of lighting the world. This particular study has demonstrated the productive side of entrepreneurship enacted by churches, indicating that some of the entrepreneurial activities in churches are not only beneficial to the church founders alone but rather the wider poor communities and consequently improving the nation's human capital and reducing national poverty levels.

Another previous study by Togarasei (2011) focused on Pentecostal churches in Africa that have some aspect of transnational (international) operations, mainly located in urban centers, promoting the teaching of financial prosperity for Christians and championing modern ways of living the Christian life. It examined the malignant view of the prosperity gospel that it enhances the financial coffers of the Pentecostal church leaders at the expense of the church followers and while it agrees that some problems do exist and churches need to work more on being socially responsible, it acknowledges there are many gains from this entrepreneurial approach to running the churches because it contributes to poverty reduction. Five areas are cited as to back this argument, namely, "...encouraging entrepreneurship, employment creation, encouraging members to be generous, giving a positive mindset and encouraging a holistic approach to life." (Togarasei, 2011, p.350). Examples of these positive contributions by these entrepreneurial churches are cited (ibid) in different African countries.

• In Zimbabwe, the Zimbabwe Assemblies of God Africa (ZOAGA), Family of God (FOG) church and Celebration Church run fellowships on business targeting men so as to promote

- entrepreneurship and lend money to support business projects started by members and guide women on operating small scale enterprises such as poultry rearing.
- Lots of employment opportunities are created through church projects and administration, as the Zimbabwean churches mentioned above each have at least 30 people officially gainfully employed and paid by them. In Botswana, the construction of the mega auditorium by The Bible Life ministries at an estimated 2 Million US Dollars translated to over 500 employment opportunities created for the community members ranging from those that laid bricks for the works up to the engineers that installed the high tech sound system.
- The inculcation of a positive outlook on life that encourages Christians to actively pursue a better life is seen as a big contribution as it builds the self-reliance mindset and destroys self-pity.

Another previous study on impact of entrepreneurial activities within Pentecostal churches was conducted by Deacon (2012) in the Kibera slum of Kenya's capital Nairobi – a place synonymous with high crime and abject poverty. It set out to find out if the seminar called 'Growing Your Business for God' conducted by American Pentecostal facilitators to cultivate entrepreneurial thinking and acceptable practices in business among the residents of the slum could enable the local church members to increase their incomes. The findings of the study reveal that the seminar did not consider the local conditions of the slum where churches were mainly an avenue for people to demonstrate what they understand life to be and their need to feel some sense of control where there are so many social disparities. Though practicing the Christian faith allowed the church members to have better self-worth, some members sensed a great chance to obtain financial resources albeit dubiously but Deacon (2012) noted that there was no improvement in general welfare of the slum dweller church members.

### Stakeholder interests

From the previous studies on entrepreneurial activities within churches, some of which are cited above, it is apparent that the churches and faith based organisations need to be cognizant of the fact that when they engage in activities that are business like, their actions will affect a cross-section of actors (stakeholders) both directly and indirectly. This places on them a duty, like any ordinary business or corporation, to play according to the rules of corporate citizenship which considers "...the extent to which businesses meet the economic, legal, ethical and discretionary

responsibilities placed on them by their various stakeholders" (Maignan et al., 1999, p.457). Not heeding to the stakeholder responsibilities means the company or organization is reactive whereas it is considered as being proactive when the company or organization seeks to discover and fulfill its responsibilities to the stakeholders (ibid).

The responsibilities of a business to the society cover a multitude of areas as Moir (2001) notes, including "...workplace (employees), marketplace (customers, suppliers), environment, community, ethics and human rights" (p.2). As a result, some of the key principles that they should take into consideration, as advanced by Business Impact (2000) in Moir (2001), include fair and equitable treatment to employees, ethical operations championing integrity, respecting basic rights of humans, environmentally sustainable practices and taking care of the community that they operate in. In order to be able to adequately address the often competing demands of stakeholders, the business or organization needs to be aware of who the stakeholders are and what their interests are so that in the process of carrying out their entrepreneurial activities, such interests and expectations can provide a sense of direction (check). This issue of stakeholder analysis is candidly addressed by Bryson's (2003) piece titled 'WHAT TO DO WHEN STAKEHOLDERS MATTER: A Guide to Stakeholder Identification and Analysis Techniques'. Stakeholders are "...persons, groups, or organizations that must somehow be taken into account by leaders, managers, and frontline staff (ibid, p.3) and failure to address key concerns of the stakeholders often makes or breaks the organization or business, adding that the fact that the world is now a closely knit web even lends more reason to consider interests of stakeholders since they are a crucial component to addressing problems that organizations or businesses set out to solve.

To cushion against engaging in activities that create no value to the public defining an inclusive stakeholder list needs to cover as widely as possible the groups (actors) and issues that are of importance.

### **Summary**

Synthesizing the discourse on productive/destructive entrepreneurship highlighted in the literature, why stakeholder interests are very important to businesses and the previous studies on entrepreneurial activities within the Pentecostal churches above, the issues that stand out are;

- Churches engage in some entrepreneurial activities
- There can be several varying entrepreneurial activities undertaken by one church

- These activities may have positive, negative or a combination of positive and negative direct/indirect effects on the church leadership, church membership, wider community or the government (stakeholders).
- Such activities, considered individually, may therefore either meet their intended aim or fail to meet based on how they affect the various groups (stakeholders) mentioned above

The assessment of the whether entrepreneurial activities are productive, unproductive or destructive and their implication has been attempted as highlighted in the review of literature with a few gaps identified that this thesis tries to fill. The measure of conformity of entrepreneurial activities to norms/regulations/standards by Sauka (2008) focuses more on the influence of external factors on the outcome of entrepreneurial process, whereas Ruta (2003) uses the results of entrepreneurial activities as a measure but focusing on transition economies in Europe where data on such results can be easily obtained. Furthermore, Davidsson and Wicklund's (2001) model for analysis of implications of entrepreneurial activities offers very pertinent direction on multilevel analysis of whether activities enhance individual and societal gains or not but the model is rather superfluous failing to recognize that there are no absolute enterprises that lie in the four quadrants of their model and is complicated for a layman to conduct an assessment of implications of entrepreneurial activities.

To address the gaps above, this thesis proposes a simple matrix that can be used to analyze the impact of entrepreneurial activities by the churches taking into account the interests of different stakeholders that may be affected by those entrepreneurial activities. The matrix serves the purpose of providing a simple flexible tool where both the positive and negative aspects of an en entrepreneurial action can be depicted, devoid of complex language, that a layperson can use to present a structured analysis of entrepreneurial activities undertaken by churches.

Entrepreneurial	Eff	ers	Implication			
activity	Entrepreneur (Church founder)	Church (employees and board)	Community (Members)	State	of Activity	

Table 1. Matrix for analysis of entrepreneurial activities in churches

Source: Author

From the matrix above it is worth noting that the list of entrepreneurial activities is non-exhaustive as very many different activities can be characterized as entrepreneurial based on Schumpeter's (1934) roles attributed to innovative entrepreneurs, cited in the introduction of the section about productive, unproductive and destructive entrepreneurship, that this thesis adopts. Furthermore, the list of stakeholders can be expanded as wide as possible so that the business is able to proactively anticipate and push towards meeting their responsibilities to these various stakeholders. The implication of activity captures what the entrepreneurial activity is ultimately intended to achieve.

### 3.0 METHODOLOGY

This chapter presents the framework that has been adopted to conduct this research and study. The chapter describes the research philosophy, approach, strategy, data collection and analysis, and how sampling of respondents was done. Additionally, the ethical considerations and limitations of the study are also presented in this section.

### 3.1 Research Philosophy

The basic assumptions or beliefs about knowledge form a starting point for research, which Ponterotto (2005) enumerates as including ontology which deals with how reality is and how things come into being, and epistemology which deals with how the researcher relates to the research participant(s) in the search for knowledge.

This thesis adopted an interpretivist epistemological position because the interest was to get an understanding of the meaning attached to entrepreneurial activities in Pentecostal churches and a constructivist ontological position because the individually constructed realities needed to be interpreted in their own specific contexts.

Carter and Little (2007, p.2) refer to epistemology as "...justification of knowledge." Epistemology deals with the kind of knowledge that is acceptable within a specific field and holds that natural and social sciences can be studied using the same principles (Bryman and Bell, 2011)

giving rise to a number of paradigms such as pragmatism, critical realism, interpritivism and positivism.

Pragmatism, in the words of Saunders et al. (2003, p.598), "...argues that the most important determinant of the research philosophy adopted is the research question, arguing that it is possible to work within both positivist and interpretivist positions." whereas critical realism tries to explain reality that underlies the events observed and experienced.

Positivism relates to application of scientific methods to explain social and other phenomena adopting a "...scientific empiricist method designed to yield pure data and facts uninfluenced by human interpretation or bias" (ibid, p.136) while interpretivism also called hermeneutics by Bryman and Bell (2011) places human action as the central point of understanding rather than the forces that precipitate the human action.

Flick (2009, p. 69) quotes Bryman's (2004) summary of assumptions underlying positivism: (1) only phenomena and knowledge confirmed by the sense can be warranted as knowledge (phenomenalism); (2) theories are used to generate hypotheses that can be tested and allow explanations of laws to be assessed (deductivism); (3) knowledge can be produced by collecting facts that provide the basis for laws (inductivism); (4) science must and can be conducted in a way that is value free and thus objective; and (5) there is a clear distinction between scientific and normative statements.

Van Maanen (1979) suggests that where the research interest is to obtain meaning but not frequency of occurrences, interpretivist paradigmatic position is best suited and thus seemed well suited to this thesis where the interest was to understand the meaning and effect of enactment of entrepreneurial activities within the modern day Pentecostal churches in Uganda (social reality). Petty et al. (2012), lends to the discourse on paradigms by arguing that qualitative and quantitative researches are underpinned by the two distinct paradigms mentioned above, that is, positivistic/post-positivistic and interpretivistic paradigms.

From the ontology perspective, Petty et al. (2012) notes that researching the social and natural worlds are quite distinct since phenomena that are socially constructed form the basis of reality and that requires considering multiple views of people in a certain defined setting or situation. To encompass this diversity of views, the research questions for this thesis were formulated to be as

broad as possible with the study taking shape as it progresses. Collection of data and analysis was an iterative process since inductive reasoning was involved based on the data available, paying particular attention to key pointers identified therein and according to Robson (2011), this is a very flexible process.

Applying this to the thesis, the interactions with other members of the church shaped how the members and those who are not members of the church viewed the activities of their church (local church) leading to a multiplicity of views and perspectives. The meanings held by individuals are often formed through interaction with others and within particular cultures which is the case with churches where people of varying backgrounds come together to worship and this broad view is explored.

Sutrisna (2009, p.6) argues that "Positivism mainly takes Objectivism as the basis of understanding the reality that there is only one objective reality experienced by us all, therefore the job of the researchers is to discover that one objective reality and model it" while "Interpretivism, on the other hand, mainly takes Constructivism as the basis of understanding the reality that constructed individually and interpreted differently."

### 3.2 Research Approach

This thesis adopted an inductive approach focusing on getting the subjective experiences of church memebrs and a non-church and their interpretation of their environment and comparing these experiences with existing body of knowledge. The research approach (theoretical orientation) of a research project links the research data to theory and this can take any of the following forms; deductive, inductive or abductive approach (Bryman and Bell, 2011).

Petty et al. (2012) commenting on application of qualitative methods to, positivist or interpretivist paradigms notes that deduction works best in testing theory (or hypothesis) with the aid of scientific methods of observation and measurement.

Induction builds theory from the findings of the research used mainly in "...linking data and theory is typically associated with a qualitative research approach" (Bryman and Bell, 2011, p13). Abduction on the other hand generates new ideas and hypotheses that aid explanations of

phenomena in the data (Blaikie, 1993).

# 3.3 Research strategy

This thesis adopted a qualitative strategy combining various methods (as explained under data collection and analysis) to collect the opinions and views of respondents about the phenomenon of economic entrepreneurship enacted within the Pentecostal churches in Uganda. This choice was informed by the fact that the study involves getting an understanding of the enactment of social reality in the eyes of the members of the Pentecostal churches and the one non-member who has a keen interest in how activities in Pentecostal churches are conducted.

Kothari (1990); Bryman and Bell (2011), writing about research strategy note that there are two main strategies; quantitative and qualitative. The quantitative strategy generates quantitative data that is rigorously analyzed in a formal and rigid manner, often sub-divided into simulation, inferential and experimental strategies. On the other hand, qualitative strategy is described in Newman (1998); Bryman and Bell (2011); Kothari (1990) as dealing with a subjective study of social reality expressed in the form of behaviors, people's opinions and attitudes and depends a lot on insights and understanding of the researcher.

Newman (1998, p.9) adds that "Qualitative research designs in the social sciences stem from traditions in anthropology and sociology; where the philosophy emphasizes the phenomenological basis of a study, the elaborate description of the "meaning" of phenomena for the people or culture under examination." It is a non-quantitative way of attaching meaning to the issue under investigation.

A number of methods may be used within the same strategy as suggested by Edwards and Holland, (2013) for example this thesis combined semi-structured interviews with documentary analysis.

## 3.4 Research purpose

This research sought to explore the growing phenomenon of enactment of entrepreneurial activities within the Pentecostal churches in Uganda.

The purposes of research can be explanatory, descriptive and/or exploratory and one or more of these may be present within it a single research project (Saunders et al., (2003). For this research the exploratory purpose was aimed at getting a better understanding (clarification) of the

phenomenon because there is not so much written about the Ugandan scenario, employing the use of review of relevant theoretical literature, getting the views of people with an informed understanding of the subject through interviews and observation of typical normal activity within the Pentecostal church setting through broadcast media and social media pages and homepages.

# 3.5 Data Collection and analysis

A number of data collection methods were employed for this thesis and their usage depended on their suitability for the process, informed by the overall research philosophy (Petty et al., 2012) and these included 7 individual interviews (semi-structured based on prompts by the interviewer along some pre-defined areas of interest) conducted through telephone and internet calls; and documentary analysis of written texts like articles, observation of the webpages of the Pentecostal churches and their respective social media pages alongside the observation archived information like videos/broadcasts and newspaper reports that are relevant to the context of the research.

As described by Flick (2009), Scheele and Groeben's (1988) reconstruction of subjective theory using the elaboration method of semi-structured interviews in circumstances where interviewees have a rich array of information about the topic being studied was helpful in the data collection process – in this case, what economic practices exists within the Pentecostal church, what the effects are of churches acting entrepreneurially and the implication of such enactment of entrepreneurship in the churches.

The explicit assumptions on the above knowledge were guided by a set of general questions that provided a loose structure to the process.

The data collected was analyzed along themes that are coded based on patterns of similarity or disparity. Petty et al. (2012, p.4), writing on analysis of data, notes that thematic analysis can be applied by the researcher to internalize the text by re-reading it several times and then "Codes (labels) are given to sentences, phrases, paragraphs or lines; codes are compared across the whole data set to identify variations, similarities, patterns and relationships; the researcher writes reflections and ideas related to sections of data to abstract from the data and deepen analysis (memo writing); testing out and expanding ideas occurs by collecting further data (by theoretical sampling) that is now more focused; codes are grouped to create a smaller number of themes that distill the key issues identified by the researcher; relationships between themes are then identified

to create a thematic map." This is what this research will use to analyze the data collected. Bogdan and Biklen (1982) provides further insight into data analysis by making a distinction between analysis conducted while in the field and post data collection analysis. Bryman and Burges (2002, p.7) contend that the researcher should periodically do preliminary analysis as they are collecting data by organizing the data more compactly and "...continually reviewing field notes in order to determine whether new questions could fruitfully be asked; writing memos about what you have found out in relation to various issues (this is a grounded theory tactic); and trying out emergent ideas."

Post field analysis deals with coming up with a suitable system of coding and this involves among others, "...setting/context codes; informants' perspectives; how informants think about people and objects; process codes; activity codes; strategy codes; and personal relationship codes." (ibid, p7)

# 3.6 Sampling of respondents

The sampling method for this thesis was purposive since the aim was to identify suitable interviewees that can provide relevant input. A few prospective interviewees from the membership of the Pentecostal churches in Kampala were contacted to obtain the initial information. However, since all the required number of participants were not obtained at the same time, the snowball method was combined with purposive sampling where the participants already identified recommended other suitable people that could provide the kind of information.

Taking into account the fact that this thesis employs multiple data collection methods, the sampling of respondents was based on the number that provides enough data to complement what is collected though other methods, namely documentary analysis. Since this thesis adopts an interpretivist philosophy using constructivism to understand the social reality expressed within the Pentecostal churches in Uganda through in-depth qualitative research, a sample of 6 personal interviews was drawn from within the membership of the Pentecostal churches and one from outside the church membership to provide a rich varied source of data.

According to Boddy (2016, p.430) "...what constitutes an appropriate sample size in qualitative research is only really answerable within the context and scientific paradigm of the research being conducted. In constructivist or in-depth qualitative research, a single example can be highly

instructive. In positivist qualitative research, a representative sample is arguably needed, involving representatives of each of the sub-segments of the total population to be researched."

Fig. 3

Sampling method	Selection		
Purposive	Sample selected according to relevance to study		
Theoretical	Sample selected on basis of analytical insights		
	and developing theory; used in grounded theory		
Convenience	Sample selected according to ease and convenience		
Snowball	After initially sampling a few participants (purposive		
	or convenience), participants nominate other		
	potential participants.		

Methods of sampling Source: Petty et al. (2012, p.3)

From the figure above Petty et al. (2012) notes that samples can be selected purposively (relevant to the study), theoretically (suitability for building and analyzing theory), conveniently (the easiness and convenience of access) and based on recommendation of suitability by the earliest sample chosen (snowball).

## 3.7 Ethical issues

One of the integral components of research is how the researcher contributes to construction of meanings and the extent to which they involve themselves in the process through reflexivity (Willig, 2001). The researcher's personal experiences and belief systems have an influence and may also be affected by the research – (personal reflexivity) and on the other hand the assumptions made by the researcher about the world and knowledge have to be reflected upon along the research process to determine their impact on the research and its findings. The researcher's role is therefore to piece together the different pieces of the research puzzle in a reflexive manner, being a part of the process but not the central focus.

To assure of confidentiality, the personal details of the respondents will remain anonymous and kept safely from access by unauthorized persons.

Consent to freely participate, as observed by Bricki and Green (2007), is another ethical point that will be put into account along with disclosure of purpose of the study, data storage and what the results will be used for will be a key component of the ethical consideration. Such clarification will be made during the initial contact with the respondents so as to elicit their trust and confidence.

# 3.8 Limitations of the study

Some of the anticipated limitations are;

- 1)Inability to physically travel to Uganda to observe actions within the Pentecostal churches. As a result, the data collection will be limited to non-physical contact.
- 2)The geographical scope of the churches will be limited to the big vibrant ones located within the Ugandan capital city

#### 4.0 FINDINGS

This section presents data collected through semi-structured interviews with 6 members of Pentecostal churches in Kampala and 1 non-member who has an interest in the activities in Pentecostal, analyzing secondary data published about the Pentecostal churches and viewing social media pages and homepages of the Pentecostal churches in Kampala, Uganda.

The summary of respondents for the semi-structured interviews are presented in the table with fictive names assigned for them since they requested for anonymity.

Table 2.

Name	Age	Gender	Occupation
Albert	36	M	Business person
Basil	42	M	Business person
Ronny	19	M	Student
Topha	35	M	Social critic
Eddie	22	M	Student
Lilly	38	F	Retail trader
Agnes	30	F	Retail trader

Details of respondents for interviews

The findings are presented below;

## Respondent 1 (Albert, 36)

Albert goes to Watoto Church, a Pentecostal church founded by evangelist Gary Skinner with a humble beginning where they used a hotel suite in Kampala as the original place of worship. The church which was originally called Kampala Pentecostal Church, according their homepage, now boasts a strong following of approximately 27,000 people (Watoto Church, 2018) presiding over 30 celebrations weekly and is registered as a company limited by guarantee.

Originally an Anglican Christian, Albert chose to attend Watoto church because it is a modern church that is vibrant with a happy feel in the way they worship especially the cheerful music for worship compared to the relatively subdued church celebrations in the respondent's original church. It is also centrally located in the centre of Kampala that makes it easy to access since the respondent lives close to the city centre.

Furthermore, Albert likes the way the church is run in a transparent manner because a number of people participate in the administration and oversight functions, not leaving it entirely in the hands of the founding pastor, creating a system of checks and balances. According to the church homepage Watoto Church (2018) the church council makes policy and regulates the management of the church with a membership comprised of the pastoral team that is concerned with teaching the gospel, a deacons' team that handles the administration of assets, personnel and finances and elders team that performs the overall advisory function. To ensure financial accountability, annual financial statements which follow International Financial Reporting Standards are audited by professional audit firm Ernst and Young and published annually in April.

Albert notes that a vibrant innovative way of doing things exists in the church. Among these is the use of mass media and social media to provide the church members and other interested people easy access to the church. This aspect of easily keeping tabs on what is happening in the church is important because it can be done anywhere without the need to travel to the church or making telephone calls. The church has a website running, active social media accounts like on Facebook and Twitter, a youtube channel for the Watoto children's choir music and owns a radio station called Power FM broadcasting to the city and surrounding areas. The commercial advertisement that run on the radio station add to the solid financial foundation that enables the church to meet its operational obligations.

The innovative way of accepting financial contributions via mobile payment solutions makes it

easy for the respondent to send in their tithe and whatever additional they wish to put in to enable the church operations run smoothly. This adds some element of privacy since some people are not comfortable with making payments in cash and in public.

There are a number of activities organized to directly encourage entrepreneurship among the members of the church. These, according to Watoto Church (2018), include the market place ministry which brings together a number of selected businesses that exhibit their services and products at the church providing a market for such products and services and TRAIN, a week-long business leadership training which targets to train 10,000 people working in 400 businesses located in Kampala city in strategy, leadership and sales. These business leadership trainings costs between US Dollars 500 to US Dollars 4000 targeting those ranging from owners of small businesses to senior managers in companies.

Other activities through which benefit both the church members and the church itself through fees earned include the performance of weddings which cost an equivalent of approximately US Dollars \$120 per couple and a 12-month program for training of leaders in Christian ministry which costs between USD \$236 - \$377 (Watoto Church, 2018). These fees contribute to ensuring sustainability of the operations of the church.

On the social front, according to the church homepage Watoto Church (2018), the church founded Watoto Child Care Ministries as an international organization in response to the high number of children orphaned due to HIV/AIDS and currently takes care of about 3,000 children designated places called Watoto villages to help them grow in an environment that is like a family rather than one that is like an institution. Additionally, the church also offers support to HIV+ women's life skills improvement by vocational training, training in activities that generate income and support for psychosocial growth and this has benefitted 3000 women improving the chances of a better life for their children who are over 15,000.

## Respondent 2 (Basil, 42)

Basil who is a business person who describes himself as a former secular Christian, goes to Miracle Centre Cathedral in Kampala and found out about the church through a close friend that spoke fondly about the blessings accruing from activities therein. The church, founded by pastor Robert Kayanja operates from a gigantic church auditorium with a seating capacity of 10,500 according

to the homepage Robert Kayanja Ministries (2017) and claims to have founded over 1000 Miracle Centre Churches across Uganda.

Talking fondly about the vivid transformation of the church from its beginning from a makeshift structure, Basil points to this as a sign of the transformative impact in the Pentecostal church which is also manifested in the church members' personal lives. He mentions how the church has been very beneficial to married couples who have not previously been able to consummate their marriages in church due to the exorbitant cost of organizing wedding events. Miracle Centre Cathedral innovatively organizes free mass wedding for couples, where costs of catering, dressing and reception are covered by the church, saving them that hustle of individually having to pull together lots of financial resources for this activity and thus helping to legalize their family unions. The figure of mass wedded couples is put by Robert Kayanja Ministries (2017) at 1000 to date with the 7<sup>th</sup> edition of the mass weddings scheduled for 2018.

On the innovative aspect, Basil sees the influence of mass media and the social media as a trend that the church has embraced to extend its outreach in this time when access to information has been improved with the advent of smartphone technology. For example, it is the first among the Pentecostal churches in Uganda to have an iPhone app available for members to download, active social media pages, a working website, a regularly updated YouTube channel with church content and a television station called Channel 44 TV that broadcasts church activities/programs.

Talking about accountability as a pillar of society, Basil acknowledges that he has read about concerns relating to the grandeur that surrounds the head of the church with regard to expensive mansions and private jet, but argues he trusts the judgement of the founder to be divinely guided in the allocation and use of funds.

The annual mega prayer season called 77 Days of Grace, hugely popular because it draws thousands of people, is the flagship event of the church, that according to Robert Kayanja Ministries, is filled with breakthrough and miraculous manifestations and wonders for those that partake in it. The Robert Kayanja Ministries also runs a 2-year diploma in leadership and ministry under the Miracle Bible College which costs an equivalent of USD \$ 135 per semester equipping the next generation of leaders in the church.

# Respondent 3 (Ronny, 19)

Ronny, a student, lives close to the Liberty Worship Centre International, a Pentecostal church founded by female pastor Imelda Namutebi in 1998 after she quit another church known as Kansanga Miracle Centre. Pastor Imelda was born to Christian parents but grew up with her muslim grandfather and only converted to Christianity in 1986 when she left her rural home to come to Kampala the capital city after being challenged by a friend that she would die without ever setting foot in Uganda's capital city (Nakazibwe, 2014). Liberty Worship Centre International's current home is located on an exquisite 17-acre property valued at 7 billion Uganda Shillings with a 15,000 seater hall (ibid) and rose through the diligent contributions of its members and donations, moved to its new home in 2003 and the mega church building was opened in a ceremony graced by the president of the republic of Uganda in the year 2014 (Liberty Worship Centre, 2017).

It was a natural choice for Ronny to go to the church because of its proximity to where he lived. He grew up going to a Pentecostal church before they shifted to their current residence in 2010.

The concern of the church towards the welfare of its followers and the community stands out for Ronny as what sets it apart because it established a medical centre to offer medical services targeting the disadvantaged poor who could not afford the expensive medical facilities. The medical services available at Liberty Medical services centre, according to Liberty Worship Centre (2017) include performance of minor surgeries, provision of ante natal care for pregnant women, voluntary testing and counseling for HIV, laboratory testing facilities, family planning advice and treatment in additional to general medical service.

In order to tackle to financial aspect of its congregants' development, the church constituted and duly registered Liberty Worship Investments Cooperative Society Limited with the Ministry of Trade and Cooperatives (Liberty Worship Centre, 2017). Membership is accessed upon payment of a modest membership fee and purchase of a minimum of four shares and this entitles the member to a variety of benefits including saving, accessing loans, owning the society with a voting right, accessibility to products and services offered by the society, a platform to network with other society members and receive dividends on shares.

Ronny notes that the service of the cooperative society has directly been of benefit to him because one of his parents who is a member was able to access a loan to enable him pay part of tuition at high school during a time when they experienced financial challenges at home.

The founder of Liberty Worship centre is known to have a big heart for giving to people items of high value including motor vehicles and apartments. In a rare newspaper interview, Nakazibwe (2014), pastor Namutebi noted that she had given over 167 cars, four storied block of houses, and once gave out 80 million Uganda shillings all upon receiving spiritual instructions from God to give and in return God showers her with countless other blessings that she never solicits for including Christian voluntarily bringing building materials to the church and some even offering their personal cars to the church.

Liberty Worship Centre International has an active social media presence on Facebook, Twitter and Youtube through which it shares content related to the church with the members and other interested people, in addition to the official website of the church which hosts content about the church. Members and interested people have access to recorded DVDs of church activities that are available for sale, boosting the ability of the church to meet its financial obligations.

# Respondent 4 (Topha, 35)

Topha, a social critic with a keen interest in evolving religious trends, visits Pentecostal churches to acquaint himself with what happens in those churches. He attended ten churches in Kampala from 2016 to date regularly and offered insights on 3 of them. So we will name the insights as insight 1, 2 and 3.

## Insight 1

Revival Ministries Kawala, is a Pentecostal Church run by pastor Augustin Yiga on the outskirts of the capital city Kampala. The semi-literate pastor was formerly a catholic before taking to the Pentecostal faith but this was no impediment to him founding a church where prayers are conducted on Sunday and Wednesday. The church also conducts counseling sessions to provide solutions to spiritual and social problems experienced by the members scheduled on Tuesday, Thursday and Saturday.

Access to a greater audience is one aspect that the church has taken care of through starting its own television channel called ABS TV which is an outlet for its programming though its broadcast licence was suspended by Uganda Communications Commission in September, 2017 due to programming that offended the regulatory norms but was later reinstated after a series of meetings and corrective actions.

Topha notes that the vibrant worship sessions are normally followed by testimonies of church

members who have overcome social, economic and health problems, among others, which is a very crucial aspect of the church prayers sessions. These sessions are normally recorded as video and audio to be shared via various channels including ABS TV, Facebook and the Youtube Channel for the church. The church also innovatively uses the Whatsapp chat app to keep in touch with members having prayer requests and seeking counseling.

The miracle sessions are often accompanied by use of what is described as a golden ring that is claimed to possess healing powers. These rings are sold to church members at the local currency equivalent of US Dollars \$27. There have been controversies regarding whether some of the miracles performed by the pastor are dramatized when a group of people complained of not being paid their fees for taking part in stage managed miracles.

# **Insight 2**

The Synagogue Church of All Nations located in Kampala city's Mulago suburb was founded by Pentecostal pastor Samuel Kakande who owns shares in shares in two companies Mechanised Agro Uganda Limited and Pride Chick Uganda Limited. The affinity of the pastor to agriculture through the companies explains why the biggest project that the church runs, known as Get Out of Poverty ministry, uses commercial farming as a way to liberate the Christian from poverty. The church owns several hectares of land in different parts of Uganda where rice is grown and these employ church members to offer the needed labour.

A typical church service, conducted in English language with translation to the local dialect Luganda, is often filled to capacity, televised via giant screens and recorded live. Congregants with request to be prayed for register their requests in the office before proceeding to the prayer hall, guided by a big number of ushers. The pastor's sermon is followed by deliverance/miracle prayers for those that have registered their requests in the church offices and then the testimony sessions commence where those that have experienced breakthroughs, deliverance from problems that afflicted them and healing from diseases. Documentary evidence like medical reports and academic reports are usually displayed to back testimonies.

Other entrepreneurial activities noticeable within the church are sale of soft drinks, mineral water and cakes sold within the premises to those that may not want the inconvenience of moving out to get out those items. There are also a number of items such as handkerchiefs, portraits and pens that

are anointed by the pastor available for sale to the church members so they can take home with them. In addition, there are also commodities labelled as holy, namely water and most recently rice sold to members of the church at above average prices which attracted some criticism to the church as an exploitative tool. A kilogram of miracle rice was sold at the church at an equivalent of US \$ 14 per kilogram compared to the supermarket price of just above US \$ 1 per kilogram (Kasadah, 2017).

It is however also a common occurrence during the deliverance prayer sessions that the pastor offers financial help to those that have been through big challenges in life and have sought help from the church to enable them rebuild and have a fresh start. There is normally physical cash that is given to the recipients in front of the church congregation.

The church maintains a visible presence online through its website, social media platforms like Facebook, a YouTube channel and TV broadcast. The common feature with these channels is video clips that emphasize the miracles, prophetic events and deliverance of congregants from unwanted conditions that take place in the church.

# Insight 3

The ZOE Fellowship is a rather nice church that drew a following because of its love for prophecy, that is predicting certain events cutting across social, political and natural phenomena. It is headed by self-proclaimed prophet Elvis Mbonye and conducts Tuesday prayers at the Kyadondo area of Kampala city. Some of the famed prophetic predictions by Elvis Mbonye are BREXIT and the winners of the American movie awards – the OSCARS 2017.

Typical payers at the church on Tuesdays are well attended, sometimes near to the 5,000 capacity of the auditorium. Entrepreneurial activities at the church include sale of DVDs and Audios of the pastor's preaching and these are also purchasable online.

The ZOE Fellowship has embraced technology and mass media because of the wide reach it offers. It has a website in the names of the prophet through which members can give to the church, maintains a presence on social media platforms Facebook and Twitter and runs their program on one of the leading local commercial television stations – NTV.

The exuberant lifestyle of the prophet has ruffled a few feathers especially after organizers of his birthday in 2017 gave out pledge cards whose minimum amount was set at an equivalent of USD

\$ 54. There was further uproar when a number of his followers kissed his shoes at the birthday event.

# Respondent 5 (Eddie, 22)

Eddie, a student at one of the public universities in Kampala goes to Phaneroo Ministries International, a church founded by Apostle Grace Lubega. Originally an Anglican, respondent E was drawn to Phaneroo because it has a strong following among university students, among which are some of his coursemates and friends and this made the church to grow on him.

The name of the church, according to the homepage Phaneroo Ministries International (2018), connotes a manifestation of a great thing that existed but has not yet been physically revealed. The message packaged to the congregation is that of overcoming adversity, achieving victory through the power of the word of God.

Eddie identifies with the positive message of infinite possibilities that gets delivered through church services and acknowledges that the praise and worship music is also a part of the package that keeps drawing people him and others to the church.

Radio and tele-evangelization is a core part of the activities of Phaneroo, with its popular Rhythms of Grace program running on 3 different radio stations (Spirit FM, Radio Hoima and Imani FM) in addition to Sunday broadcast on the commercial television channel Urban TV (Phaneroo Ministries International, 2018). The church services are normally streamed live online in video and audio so that they can be easily accessed by those that cannot go to the worship centre in down town Kampala and this is combined with the social media pages of the church on Facebook, Instagram and Twitter to ensure adequate visibility.

A big part of the broadcast channels capture testimonies by members of the congregation about healing and overcoming challenges in their lives which reinforces the manifestation element connoted in the name if the church.

# Respondent 6 (Lilly, 38)

Lilly is a single mum who goes to Kansanga Miracle Centre church located on the outskirts of Uganda's capital city Kampala. She narrates her journey raising 3 kids after the father of her kids walked out of their marriage and declined to offer help to them. Struggling to provide for the family

through selling clothes in downtown Kampala, she found solace through prayers and sharing words of encouragement with fellow congregants at the church. She says she was previously not a devout Christian but the circumstances in her life made a huge impact and made her to refocus to live a purpose driven life despite the challenges. Counselling sessions offered at the church were an instrumental part in her journey to the life as a single mother.

Kansanga Miracle Centre church was established in the year 1992 by Isaac Kiwewesi with their initial worship place being a make shift structure secured with papyrus mats able to accommodate the initial 500 members of the church, according to the church's homepage, Kansanga Miracle Centre Church (2014) and it further states that their current worship center which is located on a 7 acres' piece of land and seats up to 8000 people was opened in December 2005.

Lilly notes that the church has maintained a keen focus on the spiritual development of its members and the general population with its various programs for example the home cell fellowships which take preaching to homes, the lunch hour fellowship, religious conferences and public crusades as well as the music ministry and Christian care programmes which have greatly strengthened the moral element of their lives. In addition, Lilly also appreciates the fact that she has benefitted from the free medical services offered to members and non-Christians through the Reuben Clinic at Kansanga Miracle Centre church where general medical treatment services are offered with a resident doctor, nurse, laboratory technician and administrator overseeing the activities at the clinic. The church also conducts annual medical camps as part of its mission outreach in collaboration with Sixth Mount Zion Baptist Temple in Virginia, USA, which brings specialist doctors to offer their services for the public for free to improve their health. The regular blood donation drives championed by the church in collaboration with Uganda Blood Transfusion Services and Uganda Red Cross, which Lilly says she has participated in, have helped endear her to the strong social focus of the church with less emphasis on money.

The church uses a number of channels to pass across its message, according to the church homepage, Kansanga Miracle Church (2014) they have television and internet radio services in addition to a functional church website, an online radio, active Facebook and Twitter pages and Youtube channel loaded with daily content and enable the church to connect with those seeking their services.

# Respondent 7 (Agnes, 30)

Agnes describes herself as an avid singer and retails soft drinks and snacks for a living close to where Zion Saints Ministries International conducts their services on Thursdays and Sundays near the centre of Kampala city. The Church was founded by Cyrus Mwase, who is described by the church's homepage, Zions Saints Ministries International (2017), as a contemporary preacher that awakens the ability in people to recognize what will unfold in their lives, noting that the future is no longer a mysterious phenomenon.

Agnes notes that the modest nature of the church founders is something that she finds rather appealing because she thinks it is important for the church leadership not to be seen as flashy and exuberant. The church operates from rented space at NOB View Hotel just outside Kampala city on Mondays and at Bat valley theatre near Kampala city centre on Thursdays and Sundays.

Agnes also revealed that her business has benefitted from the patronage of some of the church members especially during the Thursday and Sunday services as congregants buy soft drinks and snacks mostly after the services and this has enabled her to support the livelihood of her family through the returns from the business.

Zion Saints Ministries, according to Agnes, is greatly oriented towards the spiritual growth of congregants and as such does not recognize any particular tendencies towards entrepreneurial activities on the side of the church.

The church has embraced use of information and communication technologies and reaches its members and general public through a numbers of channels including audio clips on Sound cloud and videos posted on its Facebook page and Youtube channel. The church packages a message focusing on prophecy through these channels where one can be able to access multiple videos showing various events that the church founder has predicted and they have come to pass and a number of testimonies from people that have experienced miraculous positive changes in various aspects of their lives.

# 5.0 ANALYSIS AND DISCUSSION

This section links the findings to the literature in order to provide answers to the research questions which were as follows:

• What entrepreneurial activities exist in the Pentecostal churches in Uganda?

• Can the entrepreneurial activities in the Pentecostal churches be described as productive, unproductive or destructive and what are their implications?

# 5.1 ENTREPRENEURIAL ACTIVITIES IN PENTECOSTAL CHURCHES

The analysis of entrepreneurial activities for this thesis was based on the definition of entrepreneurship attributed to Schumpeter's (1934) roles attributed to innovative entrepreneurs, that is including, introducing a new product or service or quality of a service, starting a new production method, gaining entry to a new market not previously conquered by the product/service and accessing new sources of inputs and reorganization of industry structure through creation or destruction of monopoly, among others which Gifford (2004); Onyinah (2007) acknowledge as being modeled by Pentecostal churches.

A number of reasons have been linked (Borschee, 1998; Anderson, 2000; Borquist & de Bruin, 2016) to the decision by churches to embrace faith-based social entrepreneurship including the dynamic ever changing environment churches find themselves in cutting across political, social and economic aspects; pressure to operate in a self-sustaining manner while delivering service; government roles in societal welfare systems dwindling; lower donations by companies to churches instead preferring to support causes; insufficient donor funds targeted by many organizations; more numbers of vulnerable people to support resulting from natural and manmade problems; and hard economic conditions obtaining in many parts of the globe.

There are several activities identified from the findings that could fall into the categories of entrepreneurial roles identified by Schumpeter (1934) and these could be grouped into different categories such as direct business practices, introduction of value added services, use of innovative tools to deliver services among others.

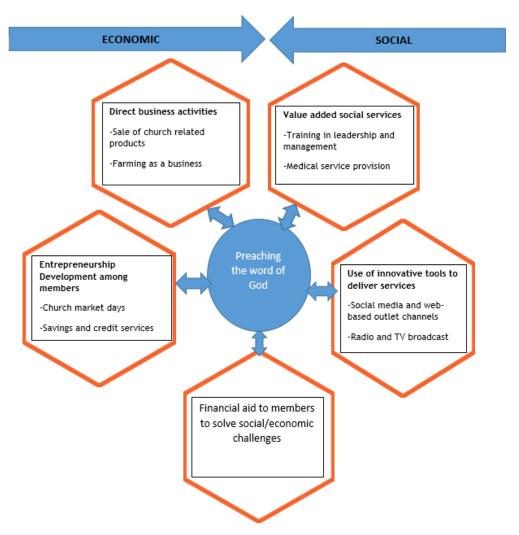


Fig 4. Categorization of innovative entrepreneurial activities within Pentecostal churches Source: Author from empirical data

From figure 4 above we recognize that at the center of the operations of the Pentecostal churches is the core activity for their formation, that is, to preach the word of God as an integral part of their daily lives (Anderson, 2013). However, the expression of religious choices does not detach the religious institutions from participating in entrepreneurial life (Dana, 2009) since it is part of the environmental variables that impact entrepreneurship. Through the literature it has been shown that Pentecostal churches engage in entrepreneurial activities that are purely economically motivated and some activities that are motivated by the interest of societal or common good. This thesis has categorized the activities as presented above and they are explained in greater detail below.

#### 5.1.1 Direct business activities

A number of direct business activities have been identified through the empirical data and these include activities are in agreement to what Ukah (2007) noted that many Pentecostal church exhibit typical characteristics found in business firms that produce, price and distribute religious and non-religious commodities. For example, Synagogue church of all nations is affiliated to 2 commercial companies engaged in large scale farming of rice and sells other commodities like soft drinks, snacks, church branded/blessed goods like pens, handkerchiefs, water and rice; Revival Ministries Kawala sells golden rings; ZOE Fellowship church sells DVDs and MP3s of church services and Liberty Worship centre International sells recorded church sermons to members at a fee.

# 5.1.2 Use of innovative tools to deliver church programs and services

The entrepreneurial thinking of the Pentecostal churches is vividly captured by their affinity to the use of electronic and mass media as noted by Siegel (2013), seizing the opportunities offered through the liberalization of the media industry to establish outlets to distribute their contact. This is affirmed through the findings about the activities in the Pentecostal churches in Uganda.

- Radio and television stations (including online streaming via YouTube) used by Phaneroo
  Ministries International; Revival Ministries Kawala; ZOE Fellowship, Synagogue Church
  of All Nations, Watoto church, Miracle centre cathedral and Liberty Worship Centre
  International
- Social media pages on Facebook, Twitter, Instagram used by Phaneroo Ministries International; Revival Ministries Kawala; ZOE Fellowship, Synagogue Church of All Nations, Watoto church, Miracle centre cathedral and Liberty Worship Centre International
- Websites run by Phaneroo Ministries International; ZOE Fellowship, Synagogue Church of All Nations, Watoto church, Miracle center cathedral and Liberty Worship Centre International.
- Mobile applications used by Miracle centre cathedral for android and iPhone application and WhatsApp channel used by Revival Ministries Kawala

The findings above show a very generous reception to and innovative use of social and broadcast media tools as a content distribution and engagement tool, reducing the distance between the Pentecostal churches and the targeted consumers of their media content.

#### 5.1.3 Value added social services

The role of the churches is not only restricted to the provision of religious services as some of them have taken on provision of social services in health services and education as a complementary activity to their normal activities as contended by Clark (2007); Bremer (2013) and Onyinah (2007). The empirical findings lend to this view as many of the Pentecostal churches offer educational training courses as follows;

- Liberty Medical services centre, owned by Liberty Worship Centre International offers
  medical services such as performance of minor surgeries, provision of ante natal care for
  pregnant women, voluntary testing and counseling for HIV, laboratory testing facilities,
  family planning advice and treatment in additional to general medical service.
- Educational training opportunities are offered in areas like leadership and church ministry
  are offered by churches like Miracle centre Cathedral and Watoto church at a fee. These
  programs contribute to enhancing the leadership skills of the participants as well as
  providing a revenue source to the church through the training feed levied on the
  participants.

# 5.1.4 Entrepreneurial development of church members

Previous studied have shown that Pentecostal churches are increasingly active in the promotion of entrepreneurial thinking among their members, for example Togarasei (2011) notes that churches in Zimbabwe through provision of micro-loans and guidance to members in running their small businesses. From the empirical studies, this study shows the element of promotion of entrepreneurial pursuits is present in some of the Pentecostal churches in Uganda and absent in others. The affirmative examples are;

- Watoto Church's Market Ministry which organizes exhibitions for selected businesses at the church so as to give an opportunity for them to access a wide customer base through church members.
- Liberty Worship Centre International's Liberty Worship Investments Cooperative Society
  Limited which is legally registered with Uganda's Ministry of Trade and Cooperatives
  which provides its members to a variety of benefits like saving funds, access to loans,
  ownership of the cooperative society, access to products and services that the society offers,
  and opportunities to build business networks.

These facilities enable members to build their personal business ventures that they can use to sustain and improve their livelihoods.

## 5.1.5 Cash donation and gifts to members by the church founders

Previous studies of Pentecostal churches in other parts of Africa, Kwarteng and Acquaye, (2011); Togarasei (2011), have shown that churches often give cash donations to support their members' social and business needs. The findings of this study show a similar occurrence, for example the founder of Synagogue church of All Nations regularly gives cash donations to members experiencing financial challenges during their prayer services and Pastor Imelda Namutebi of Liberty Worship has given out cash, vehicles and houses to followers of her church.

# 5.2 PRODUCTIVE, UNPRODUCTIVE OR DESTRUCTIVE ENTREPRENEURAL ACTIVITES IN PENTECOSTAL CHURCHES

This section will draw on Baumol's (1990) discussion of entrepreneurship as a productive, unproductive or destructive process and examine the entrepreneurial activities identified within the findings in light of the following perspectives discussed within the review of related literature:

- Role of the external environment with particular emphasis on the part played by regulatory institutions
- Internal factors (relevant skills)
- Enterprise values from biblical text
- Conformity Vs deviance
- Property rights related to what the church acquires
- Creation of social value

## Role of external environment

The key driving force behind pursuit of entrepreneurship is maximization of utility (Baumol, 1990) but in the course of this process some benefits that would accrue for common societal good fall by the way side. The main point in Baumol's (1990) argument is that as an entrepreneur performs their role of resource reallocation, some of those roles may not necessarily have a positive impact, noting that it is not the number of entrepreneurs available and their objectives that determine how entrepreneurial activities impact on the economy but rather the role of the institutions (regulatory

system) that is key.

Relating the above to the findings of this thesis, the Pentecostal churches in Uganda fall under the directorate of ethics and integrity under the office of the president and are considered as faith based organizations (Kasadah, 2017) and are therefore exempt from paying income tax. From the findings we note that this leeway of not paying income tax has been raised in connection with how funds collected through contributions by church members are expended, sometimes lavishly by the founders of the churches, as noted by Premawardhana (2012) and acknowledged by Basil about Robert Kayanja Ministries which has been accused of lavishly spending church generated funds on private goods which is seen as unproductive though he considers that as a matter for the discretion of the head of that church to determine what to commit church funds to. On the other hand, Albert noted that, for Watoto church, which is registered as a company limited by guarantee maintains compliance with the requirements of the companies Act of Uganda and Uganda Revenue Authority regarding issues related to financial management which are handled transparently, moreover a professional accounting firm presents audited books of account. From these two examples we can see here that the external environment can influence the activities in the Pentecostal churches both positively and negatively.

#### **Internal factors**

The internal working of the church plays a crucial role in how the church conducts its activities and this shapes whether they are productive, unproductive or destructive. This point is emphasized by Ruta (2003) in relation to the relevant skills of the founder and their risk taking disposition. We note from the findings that the Pentecostal churches are started by individuals of varying backgrounds, for example, pastor Augustin Yiga the founder of Revival ministries Kawala is semiliterate whereas Gary Skinner, founder of Watoto Ministries has missionary parents and was educated in Canada. We note very contrasting management practices, for example information on the management structure and roles within Watoto church are clearly spelt out with independent internal oversight and readily available whereas those at Revival Ministries Kawala are not clearly spelt out especially with regard to the internal oversight function. This could shed light on the fact that the broadcast licence for ABS TV, which is owned by Revival Ministries Kawala, was suspended twice in a space of two years (Etukuri, 2017) for breaching broadcast regulations through indecent programming that was not checked by internal oversight function. The program

was deemed destructive to the moral fabric of society.

# **Enterprise values**

The subject of enterprise values in biblical text as discussed by Dodd and Gotsis (2009) in the review of literature clearly captures what was considered as acceptable and unacceptable practices by church members and would be of essence in this discourse. The unacceptable practices included chasing wealth as the main aim of the church member and levying interest on funds lent to other members of the church whereas acceptable practices included the use of genuine weighting system to measure the items being sold, meeting obligations to suppliers and employees when they are due, charging fair market prices and not discriminating in terms of pricing of services and products. Projecting Dodd and Gotsis' (1990) position to our findings, we can note a number of entrepreneurial activities that would fall into the categorization of unacceptable business practices within the Pentecostal churches as follows;

- Synagogue church of All Nations sold holy rice at an exorbitant price per kilogram of US
   \$ 13 more than the average market price for ordinary rice.
- The fixing of minimum value for pledge cards for activities organized by churches, locking out those with smaller pledges a kind of discriminatory pricing, referring to the minimum value pledge card of US \$54 by ZOE Fellowship church of Prophet Elvis Mbonye for his birthday celebration.
- Liberty Worship Investments Cooperative Society charges interest on loans issued accessed by its members to finance their personal/business needs.

On the flip side there are also entrepreneurial activities that can be seen as acceptable from the perspective of the analogy by Dodd and Gotsis (1990) above. These include the following activities noted within the findings;

- Organization of free mass weddings for couples by Robert Kayanja ministries as a way of motivating the formalization of marriages by church members regardless of their financial standing
- Offering discounted medical services to the members of and community around Liberty
   Worship Centre International church and free medical services offered by Kansanga

- Miracle Centre church to both Chrisitans and non-Christina, motivated by improving their social welfare but not economic interests.
- Watoto church has a deacon's team as part of management that handles matters related to administration, personnel and finances and this takes care of the obligations of the church to its staff and suppliers of services that it requires.

Based on the discourse as per Dodd and Gotsis (1990) it can be held that some of the Pentecostal churches carry out activities that are acceptable as per biblical enterprise values while others have certain activities that are unacceptable as per the position by the authors.

## Conformity versus deviance

In considering the productivity, constructiveness or destructiveness of entrepreneurial activities through the totality of the results of such activities, it is important to determine whether such activities are carried out in conformity or disregard of aspects that Sauka and Welter (2007) enumerated. They state that to conform includes fulfilling obligations of taxation, fair competition, doing things within the existing legal framework while deviance encompasses engaging in illegal activities, tendencies of corruption and unethical conduct.

Looking from the perspective above, the findings show some activities within the which conform to established rules, norms, obligations and some which deviate from such. Here we note the sale of sale of rice packaged as holy and possessing miracle power in Synagogue church of all nations at exorbitant prices, the broadcasting of television content deemed as pornographic by ABS Tv belonging to Revival ministries Kawala as some of the activities that deviate.

On the other hand we note a number of activities that conform with legal and ethical obligations such as legally registered activities that are run by the various Pentecostal churches in this study including a registered company – Mechanised Agro Uganda Limited, that does commercial farming for Synagogue Church of All Nations, a legally registered cooperative society operated by Liberty Worship Centre International, radio and television stations that are licenced by Uganda's broadcasting regulatory commission, fully registered and licenced medical services offered by Liberty Worship Centre International and Kansanga Miracle Centre church in addition to Watoto church preparing financial statements each year that reflect a true and fair view of affairs in the company in compliance with stipulations of the Uganda Companies Act 2012.

From the foregoing analysis we can therefore hold that as per the view of Sauka and Welter (2007) discussed in the literature entrepreneurial activities that are productive, unproductive and destructive are existing within some of the Pentecostal churches in Uganda.

## **Property rights over church assets**

The growth of the Pentecostal churches comes with acquisition of assets and the ownership and application of these assets raises the question of rights over such property. Where rights of others to use this is limited as noted by Foss and Foss (2000), the discourse on productive, unproductive and destructive entrepreneurship finds a ground for application. Our findings can help to put this into perspective;

- Watoto church started in a hotel suite in Kampala and now has properties in Kampala, Gulu and Entebbe towns in Uganda and Juba South Sudan
- Liberty worship centre started in a make-shift papyrus structure and now operates from property valued at over 7 Billion Uganda shillings.
- Kayanja ministries started at a temporary structure in Kampala and now owns a 10,500 seater centre in Kampala city alongside a radio and television station.
- Synagogue church of All Nations owns several hundreds of hectares in Uganda that are used for commercial agriculture.
- Kansanga Micracle centre church started from a makeshift temporary structure holding upto 500 people but now has a present church building that seats upto 8000 people.
- The financial positions of the other Pentecostal churches are not disclosed with exception of Watoto church that publishes annual audited accounts. Therefore, it's very difficult to determine the full extent of assets of the churches without proper financial records.

Against the above background, the church and those who contribute funds for its functioning take on the relationship of agent and principal respectively. In that regard Desai et al (2010) noted that misuse of assets without the consent of the funders can be construed as destructive entrepreneurship. This can be recognized perhaps most clearly from the example below;

• Liberty Worship Centre International's founder Imelda Namutebi admitted in a Newspaper interview to giving out some of the church assets after getting revelations from God like over 167 cars, 3 apartments and 80 million Uganda shillings

The way funds collected by the church are used by the church is one of the areas that brings questions about the functioning of churches as noted by Permawardhana (2012) and thus its activities may be tainted when the church founders use funds as they deem fit, sometimes based on spiritual revelation that church members and funders cannot question. That could explain the uproar regarding the purchase of a private jet by pastor Robert Kayanja who heads Robert Kayanja Ministries. This is an indication that some of the leaders of the Pentecostal churches are not answerable on certain decisions they take regarding how to use church assets and here there may be a need for another regulatory mechanism to check such excesses.

#### **Social value creation**

The benefits accruing to the society are among the yardstick for determination of the extent to which entrepreneurial activities are productive, unproductive or destructive. This, according to Acs et al., (2013) tends to be shaped by existing institutional capacities, covering both the internal institutional capacities of the churches and the regulatory environment that enables them to offer socially oriented services. Our findings reveal that there are quite a number of productive entrepreneurial activities that are undertaken by some of the Pentecostal activities aimed at enhancing the benefit of the society (church members and non-members inclusive). These include the following;

- -Provision of medical facilities by Liberty Worship Centre International and Kansanga Miracle centre.
- -Educational and training service offered by Watoto church, Robert Kayanja ministries.
- -Provision of care facilities for orphaned children by Watoto church.
- -Strengthening the institution of family through formalized marriages that are conducted by the duly registered Pentecostal churches.

The above analysis resonates with the view by Clarke (2007) and Onyinah (2007) that provision of services in education and health is complementarily done by state and other non-state institutions which include faith based organizations that include the Pentecostal churches. This is a very crucial role given the fact that, as noted by Anderson (2000) and Borschee (1998), many governments have liberalized their economies and therefore are less involved in directly provision of social services along with the increased number of vulnerable people needing social support.

Another aspect of social value creation is the provision of opportunities for creation of social capital. As noted in the findings, members of some of the Pentecostal churches have an opportunity to build useful networks to enhance their careers and other pursuits including business management consistent with the position of Henley (2017) on benefits of social capital. The socially embedded nature of entrepreneurship (Zimmer, 1986) means as members of the Pentecostal churches come together in solidarity and service (Candland, 2000), they are afforded access to both intangible and tangible resources along with access to finance and other forms of capital (Greve and Salaff, 2003).

From the findings, the following examples reinforce the productive aspect of social value creation opportunities in the Pentecostal churches;

- Business exhibitions organized by Watoto church provide their members with an opportunity of creating linkages for their businesses to grow.
- The networking session offered by Liberty Worship Investments Cooperative Society
  Limited increase their members access to shared best practices through experiential
  learning from fellow members of the society.

It is however also worth mentioning that, as observed by Candland (2000) social value created in the churches may also be destructively exploited. This could closely relate to the case of the church followers being exploited by marketing common products as holy or miracle giving and therefore making them pay abnormally high prices for these products.

To summarize the analysis of productive, unproductive and destructive entrepreneurship above we can notice that the entrepreneurial activities within the Pentecostal churches in Uganda are driven by a number of factors. These include the following;

- Spiritual development of the Christian followers of the church by spreading the content of the church using multiple outlets.
- Desire to draw more members to the church through packaging enticing messages to the public.
- Efforts to improve the non-spiritual wellbeing of the followers by provision of financial, educational and health services.

- Movement towards sustainability and self-sufficiency through church run business projects that bring in funds for running church activities.
- Financial freedom of the church founders as they have control over finances of the church.
- Fulfillment of regulatory requirements by offering services that fall within the limits of the law.

The above drivers point towards an effort to satisfy needs of targeted groups of people and institutions which are the direct and indirect stakeholders of the churches. These stakeholders' needs, as observed by Maignan et al., (1999); Moir (2001) and Bryson (2003) cover areas including internal operations management, the community relations, managing relations with businesses that offer services to the church, customers of services/products offered by churches, the state, environmental and ethical considerations. The stakeholders identified in this study are presented in the figure below.

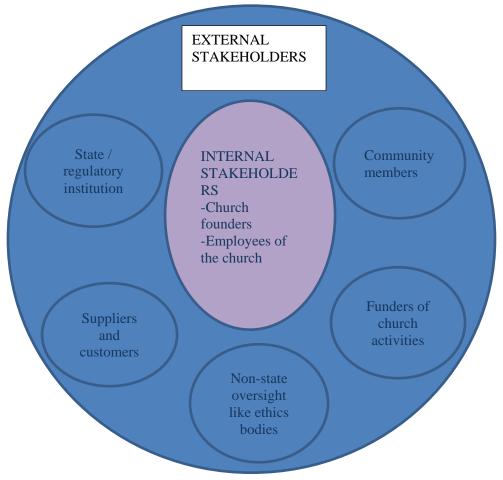


Fig 5. Stakeholders of Pentecostal churches in Uganda. Source: Author, based on findings

It is therefore imperative that in determining what the implication of these entrepreneurial activities on the various stakeholders that the activities need to be taken individually instead of being lumped together. Based on the outcome analysis by Daviddson and Wicklund (2001), it is acknowledged that whereas one entrepreneurial activity in a Pentecostal church may be unproductive or destructive, there can be other activities that are productive in terms improving the spiritual, social or economic lives of church members and community members and as such it becomes difficult to generalize that the entrepreneurial activities in that particular church are productive, unproductive or destructive. The matrix for analysis of entrepreneurial activities in Pentecostal churches proposed by this study is informed by this complexity of lumping implications or outcomes of entrepreneurial activities (research gap) and would appear to be a good alternative way to assess the impact of each entrepreneurial activity, individually taking into account how they affect the various stakeholders.

#### 6.0 CONCLUSION

This chapter provides a summary of key findings based on the research questions and concludes by making recommendations that could inform policy and provide a ground for further academic research.

This research sought to explore the enactment of entrepreneurship within the Pentecostal churches in Uganda. Informed by the rise of powerful mega Pentecostal churches in Africa (Meyer, 2004), the role of the Pentecostal churches has been recognized in both the social scene (Clarke, 2007) and the economic scene (Iheanacho and Ughearumba, 2016) and some have been likened to typical business firms geared to making profit (Ukah, 2007). Drawing on the works of Weber (1990) on capitalism in the early protestant churches, the study used Schumpeter's (1934) roles of innovative entrepreneurs to analyze the activities in the churches, explore whether aspects of Baumol's (1990) productive, unproductive and destructive entrepreneurship can be recognized within the activities of the churches and what the implications of such activities are. The research was guided by two main questions:

- 1. What entrepreneurial activities exist in the Pentecostal churches in Uganda?
- 2. Can the entrepreneurial activities in the Pentecostal churches be described as productive, unproductive or destructive and what are their implications?

The study was qualitative in nature, supported by qualitative methods including semi-structured interviews and secondary data analysis. The experiences of members of the Pentecostal churches and one non-member were analyzed based on pointers from their interactions in the Pentecostal churches, combined with analysis of secondary published data and observation of the homepages and social media pages of the churches and then related to the perspectives from the theories mentioned above.

The first research question sought to find out what entrepreneurial activities exist within the Pentecostal churches. The research was focused on the Schumpeterian innovative entrepreneurial activities having any of the aspects of; new service or product, new quality of service/product, a novel method of producing a service/good, breaking into a new market where the product/service was non-existent before, acquiring new input sources and creating or destroying a monopoly. The findings of this study reveal that apart from performing the traditional role of the church of shaping the spiritual fabric of the society, the Pentecostal churches have embraced activities that are oriented to social value improvement as well as activities that are oriented to economic advancement.

The social value creation activities identified within the Pentecostal churches are those that facilitate church members and the community to interact and exploit opportunities from sharing experiences, accessing capital, land or labor resources. In addition, the social value creation aspect also includes the provision of social services that help to improve the welfare of the society. Thus, from the findings the socially oriented entrepreneurial activities are as follows;

- Provision of educational opportunities through training in aspects related to running church ministry, training in management of businesses, training in vocational skills, training in income generating activities.
- Provision of medical services at subsidized cost or free to enable the community members
  that are financially challenged to get solutions to their health related problems as an
  alternative to the other providers of similar medical services whose services are highly
  priced and thus excluding the members of the community who cannot afford to raise the
  necessary funds.

Provision of care services for the vulnerable members of the community to give them a
chance for better life and feel as part of the community. Here we can enumerate the
orphanages and centers where children orphaned by HIV/AIDS are provided a home and
women who are suffering from HIV/AIDS provided psychosocial support to enhance their
ability to live a nearly normal life.

The above findings are consistent with the positions of Clarke (2007); Bremner (2013) that Pentecostal churches play a very important complimentary role in provision of social services and this is even more relevant where governments have reduced their role in participation in direct service provision due to liberalization of economies in favor of private provision of such services. The role of government however remains to ensure such privately provided social services are done within the regulatory framework.

On the other hand, we also note from the findings activities that the Pentecostal churches also engage in entrepreneurial activities that are economically motivated, geared towards earning an income and encouraging activities that are meant to enable members to set up businesses. This is in consonance with the view that some Pentecostal churches have activities that are conducted like business firms (Ukah, 2007); Borschee, (1998) and that some Pentecostal churches encourage their members to become entrepreneurs and set up businesses (Kwarteng and Acquaye, 2011). Here, the following are the activities identified;

- Business enterprises run by churches, with an example of commercial farming conducted by Synagogue church of All Nations which also employs members of the church to provide labor on the farms.
- Sale of church branded items at a fee like shirts, DVDs and audio recording.
- Services offered by the church at a fee like presiding over matrimony (marriage ceremonies) at the church.

The first research is therefore answered through the findings summarized above that the Pentecostal churches in Uganda participate in entrepreneurial activities which are aimed at enhancing the spiritual growth, social and economic welfare of the church followers and the community.

The second research questions sought to find out if entrepreneurial activities in the Pentecostal

churches are productive, unproductive or destructive and what the implication of those activities are. Here the analysis was guided by looking at the influence of regulatory institutions on the way churches conduct their activities; the internal management mechanism of the churches to check its activities; whether the activities result in an improvement in common good; whether they conform to established statutory and societal norms and regulations; whether the activities are done in line with acceptable enterprise values; whether the right to use property obtained in the name of the church is limited and whether the activities improve social and economic conditions of the church members and the community.

The findings, based on the various elements enumerated above, reveal that some entrepreneurial activities in Pentecostal churches are productive and do make a positive contribution to the church members and the community. These include the provision of much needed social services (medical and educational) to improve the conditions of the community members, the provision of employment opportunities for the community through working in church founded business activities, provision of opportunities to improve skills in management, access to funding for members' business enterprises, creation of a market for businesses run by church members, strengthening the family institution through encouraging members to have their marriages consummated at church and provision of care for the destitute and vulnerable members of the community.

On the flip side, the findings also show that some of the entrepreneurial activities in the Pentecostal churches are unproductive or destructive since they either do not improve the social and economic wellbeing of the church members and the community or worsen the social and economic state of the members of the church and the community or are against ethical norms and statutory requirements. Here we can cite the unchecked application of funds/assets generated by some of the founders of the Pentecostal churches to personal or non-church related causes, the broadcast of content that is deemed offensive to the public via broadcast channels run by the Pentecostal churches and the sale of ordinary items disguised as miraculous or holy items to the community at exorbitant prices.

It is however worth noting that some entrepreneurial activities that are deemed unacceptable based on biblical values of enterprise like the charging of interest on funds advanced to members by church operated saving and loan schemes may not necessarily be destructive because the rules and regulations of such schemes provide for a clear application of interest from such loans which are most time ploughed back for the benefit of the members.

Also worth noting is that from the interviews, the members of the church seemed to have a more favorable perception of their church's activities and consequently their responses on impact of entrepreneurial activities in the Pentecostal churches is quite different as compared to the one respondent who is not a member of the Pentecostal churches.

Therefore, to assess the implications of the entrepreneurial activities in Pentecostal calls for the outcomes of activities to be taken on an activity by activity basis because as has been shown in the findings one Pentecostal church can have multiple entrepreneurial activities going on with some positively impacting on social and economic value whereas others may not have an impact and others may have negative impact socially and economically.

That is where the contribution of this study comes in through the proposed matrix for analysis of innovative entrepreneurial activities in the Pentecostal churches. Due to the complexity of generalizing outcomes of entrepreneurial activities, the matrix proposes to have each activity assessed individually such that the can be a clear presentation of outcomes, that is, an activity contributes positively in a specific and negatively in a specified way. This will avoid the temptation to cluster all entrepreneurial activities as productive, unproductive or destructive based on the fact that one of the activities has either a positive negative contribution to the spiritual, social and economic wellbeing of the church member and the community.

As another contribution the findings of this study can be useful especially to the regulatory body that oversees operation of churches which are recognized as faith based organizations in Uganda. It is difficult to find previous studies that have specifically studied the positive and negative contributions of entrepreneurship enacted in the Pentecostal churches in Uganda, with the understanding of entrepreneurship by some church members limited to the purchase/sale of goods and services. This thesis demonstrated that the entrepreneurial activities in the Pentecostal churches go beyond just buying/selling items and services. In this regard, this piece of work will hopefully help improve the perception of entrepreneurship within the Pentecostal churches.

Regarding further research, this thesis has revealed that some of the Pentecostal churches provide entrepreneurship development services. The topic of business incubation has been studied a lot in the main stream business area but little is said about the churches as incubation centers for aspiring

businesses. This thesis suggests the detailed study of business incubations services within the Pentecostal churches as an area for further research.

As this study has shown drawing on Schumpeter's theory of entrepreneurial activities, it can be suggested that using innovation to further social good and improving church activities is a useful and productive tool for developing church operations. However, when engaging in business related activities churches need to take great care not to be seen as exploitive by engaging in unproductive or destructive forms of entrepreneurship.

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## APPENDIX 1

# GENRAL GUIDE FOR SEMI-STRUCTURED INTERVIEWS

- 1. Could you tell me about your religious orientation?
- 2. Tell me more about your church
- 3. Do you have any idea about its beginning/history?
- 4. How does your church sustain its activities/development?
- 5. What is your view about the church running activities/businesses that generate money/profit to sustain its activities?
- 6. Does your church have any such activities which generate funds for its activities?
- 7. If yes, tell me more.
- 8. Are there any positive or negative sides to church leaders/pastors being entrepreneurs/running businesses?
- 9. What needs to be done by Pentecostal churches to avoid the conflicting motives of profit for sustainability and service for public benefit?
- 10. Any comment on government role in regulations for such activities in churches