14 Religious Influences on Social Enterprise in Asia

Observations in Cambodia, Malaysia and South Korea

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Introduction: Religion and "Business"

A cursory examination of literature shows that religion and business are historically intertwined, with particular effects on society. It is widely acknowledged, for instance, that religious church and mission organisations have traditionally blended social purpose with their proselytisation to pursue holistic transformation in the societies they serve (cf. Samuel and Sugden 1999). Alongside Max Weber's accounts of Calvinist Protestant values driving the entrepreneurial spirit toward the development of capitalist economies, Spear (2010) also writes about strong mutual trust in Quaker groups that was historically harnessed for entrepreneurial pursuits, transcending the religious domain. Traditional Islamic practices of *zakat* (the annual donation of a percentage of one's income to religious institutions), while being charitable, have also historically supported business, because mosques have always provided facilities for traders (Ahmed 1999). Additionally, interest-free Islamic finance, which is as old as the religion itself, is traditionally viewed as a means to support social and economic development, premised on long-term, ethical relations between local financiers and business (Ahmed 1999: 58). Meanwhile, Buddhist economics (arising from "Right Livelihood", a component of the "Noble Eightfold Path") targets systemic economic issues by promoting balanced consumption, frugality and rewarding vocation (Mendis 1994: 196–9), and it has become a basis for reinvesting resources into communities and fostering resilience (van Willenswaard 2015).

Since the business/religion relationship is strongly driven by ethos, this relationship appears as an interesting and relevant issue in the case of social enterprises (hereafter SEs), which are value-driven initiatives. This chapter takes a look at the influence of religion on SEs in East Asia—the most religiously diverse region of the world (Pew Research Center 2014). We start by analysing the influence of religion on international development discourse in recent decades, considering that major international development institutions have increasingly embraced SE as part of "sustainable development" (Power *et al.* 2012). We then narrow the

discussion to nuanced specificities by considering institutional perspectives, finding value in a text by James (1993) as the basis for a theoretical framework. We proceed with a presentation of the research that was carried out, including a summary of the methodology used, before describing three case studies that illustrate the influence of different religions on SEs: Christian Protestant influence, in South Korea; Islamic influence, in Malaysia; and Buddhist influence, in Cambodia. Our specific research questions are:

> *How does the institutional influence of religion impact on social enterprises' strategies for successfully achieving social goals and organisational sustainability? And how is this affected in turn by variations in religious heterogeneity and national income status?*

Our findings (which challenge, to some extent, Estelle James' conclusions) are that a wider range of dependent variables than religious heterogeneity and level of economic development need to be considered in order to identify the strategies of faith-based SEs and the reasons why religious organisations engage in social entrepreneurship. Religious conservatism is just as significant as heterogeneity, for instance, while religious organisations in communities recovering from trauma in a low-income country may prioritise the renewal of faith alongside the need to provide services.

1. The Significance of Religion in "Development" and the "Social Economy"

In general, all religions encourage engagement in society, and this is recognised as a force for societal development because it harnesses moral imperatives, pro-social motives and shared values towards tackling poverty and social exclusion (Martin *et al*. 2007).[1] Moreover, in the process of making development programmes *actually work*, it is argued that people's spiritual and physical needs often have to be viewed interconnectedly, not least because faith is a lens through which many of the world's poor understand their poverty (Bradley 2009). Quite simply, religion cannot be ignored as a developmental force, because of its outreach and the extensive resources that it mobilises (Deneulin 2013). Consequentially, from the mid-1990s onward, international development institutions, in pursuit of new avenues for effectiveness, turned (albeit quite briefly) from secular postures towards "dialogue" with faith organisations; such evolution culminated in the "World Faiths Development Dialogue" (WFDD) (Haynes 2013).[2] Reciprocally, traditional religious worldviews across continents have been broadened by the pursuit of new practical applications of religious texts, promoting new institutional logics that encourage entrepreneurship and receptiveness to partnerships (Ataide 2012; Evers and Laville 2004). Accordingly, faith-based work in the social economy

is a contemporary illustration of the way in which religious influence extends beyond the place of worship to embrace the whole of human life (Biscotti and Biggart 2014). Notably, while studies find the influence of religion on general entrepreneurship not to be very significant, according to Keynes (2007, cited in Ataide 2012: 179) "religious sects continue to motivate, and provide strong links to legitimacy and resources for social entrepreneurs".

2. Religion and SEs Viewed From Institutional Perspectives

Existing literature on the complex institutional context facing faith-based SE focuses largely on issues of legitimacy (Ataide 2012; Spear 2010). Legitimacy, succinctly put, is an important resource for SEs, which helps them attract various other resources from supportive actors. Sometimes, legitimacy can allow enterprises to obtain different kinds of state subsidies; however, according to James (1993), religious enterprises are supposedly more concerned with recruiting more followers than with obtaining tax subsidies and similar resources. This is not to say that legitimacy as a means to acquire resources is not important for religiously influenced SEs, but it does suggest that the meaning of legitimacy and "legitimacy-seeking behaviours" enacted for instance through institution building and stakeholder engagement (Mason *et al.* 2007) are all quite specific.

Arguably, the way in which religion impacts institutional development in terms of justifications for existence, perceived roles and particular status as cultural symbols or icons is more visible from socially constructed perspectives (Ataide 2012: 193). Supportive literature defines "institutional logics" as "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence" (Thornton and Ocasio 1999: 804). Following social constructivist ontology, at the nexus of religion and enterprise, one finds faith-driven social entrepreneurship, influencing cultural change within social institutions. This drive toward cultural change is born from the desire to seek out fundamental (or "innovative") changes, as opposed to piecemeal ones. Combining enterprise and religion is for example seen as a way to target "human capabilities", improving people's freedom and promoting social change in the process (Mugabi 2003). This has been internationally popularised by "Business As Mission" (BAM), a form of social business serving as a strategy for missionary evangelising via market-driven mission/job creation and the creation of social value (Borquist and de Bruin 2016). In theory, such missionary work is suited to entrepreneurship because it provides more autonomy for practitioners than non-governmental organisations, which rely on international aid (Bradley

2009). However, the fact that BAM is bound in a specific Christian culture and practised dominantly (to date) by expatriate missionaries in low-income countries (Bradley 2009: 229) underlines a point that has long been clear: entrepreneurship is generally "culture-bound", and universal frameworks are not very useful from an analytical point of view (Dana and Dana 2005: 81). In contrast to BAM, for instance, from an Islamic perspective, SEs in today's world might be seen as "intermediary institutions" that add more innovation to the practice of *zakat* and enhance its social value through strategies to empower the poor (Mulyaningsih and Ramadani 2017).

In summary, from a socially constructed perspective, regardless of the global outreach of well-financed models of religion-influenced enterprise,[3] there is reason to believe that combinations of nationally embedded influences will promote or inspire different strategies for gaining legitimacy among religious social enterprises with more local origins.

A hypothetical differentiation of institutional context and legitimacy for SE in accordance with religious influence is provided by James (1993), who evaluates the private-public mix of education provision across different countries. James finds that in low-income countries, demand for non-state services is quite simply driven by meagre public budgets. In countries that have achieved a certain level of economic development, the demand for and supply of education by non-profit organisations is driven by cultural and religious heterogeneity. On the demand side, consumers with specific tastes may choose a denominational non-state provider. Meanwhile, in a competitive, multi-denominational context, the supply side is driven by the desire of religious denominations to attract followers. In such contexts, extending activities from the place of worship into public-service provision is a defensive strategy, enacted to maintain or increase the congregation. The potential market return is less of a concern than for conventional business, given that different resources (including gifts and volunteering) can be mobilised to reduce costs. In summary, according to James, "founders are interested in maximising faith rather than pecuniary profits" (James 1993: 577).

James' analysis provides a good hypothetical platform for analysing SE in East Asia, where the level of economic development and the extent of cultural and religious heterogeneity vary considerably among countries. In this book chapter, we compare cases in the Republic of Korea (hereafter "South Korea"), a "high-income" country; in Malaysia, an "upper-middle-income" country; and in Cambodia, a "lower-middle-income" country (that was, until mid-2016, a "low-income" country), according to World Bank (2017) measurements. South Korea and Malaysia can be historically considered as religiously heterogeneous nations, while Cambodia is one of the most religiously homogenous nations in East Asia.

3. Research Presentation

3.1. Relevance of the Research Question

Institutional logics perspectives help to examine tensions within hybrid organisations, which necessarily embrace conflicting logics (Battilana and Lee 2014). In the earlier respect, taking into account religious logics further expands the range of logics to be examined. This could also undermine to some extent the notion that the institutional logics of private benefit and social good are incompatible, by depicting this hybridity as a natural state when situated in a particular (i.e. religious) context. In the recent development of institutional logics perspectives, further investigation of the logic of religion has also been called for in relation to "inter-institutional systems" constituted by markets, bureaucracies, communities, professional associations, family and church (Tracey 2012). It is thus certainly of academic interest to examine how different forms of organisation have traditionally engaged with religious logic and how this is changing in the world today. For example, faith-driven business in Europe and Latin America has a long and well-documented history of combining the logics of markets with religion (Spear 2010: 39–42). However, to date, most examples of religious influences on enterprise have been drawn from outside of Asia. With a view to exploring these influences in markedly distinct entrepreneurial environments (cf. Dana 1999), this chapter examines three cases of faith-based SE, respectively in South Korea, Malaysia and Cambodia.

3.2. Methodology

Our central objective is to draw out contextualised theoretical implications of religious influence on SEs. We pay particular attention to embeddedness in the national institutional context of religion. In Cambodia and Malaysia, for instance, we would not be inclined to analyse BAM, regardless of its profile, because the national religious context is not highly supportive of Christianity and we thus instead choose to respectively analyse one social enterprise influenced by Buddhism and another influenced by Islam. We are also concerned with narratives that underpin the social enterprise's sense of identity and the basis for its relationship with employees and/or beneficiaries; following Moss *et al.* (2011: 806), we accordingly pay attention to mission statements, while being aware that such material cannot be taken at face value. For the purpose of this paper, we opt for an exploratory case study approach because of the lack of existing comparative studies of SE in Asia from a religious perspective. Given that SE is always situated in context, emerging in response to particular and varied challenges, it is also suitable to investigate specific

enterprises in detail, in order to draw out and interpret underlying issues in each case, including how these enterprises mobilise support and resources. In summary, the limits of generalisation from case studies are offset by the depth of understanding that they generate.

3.3. Cases Studied

South Korea and the Loving Line Empathy Shops

South Korea has vigorous religious traditions. Historically, Buddhism and Confucianism have influenced Korean society and culture since the time of the Baekje Kingdom (57 BC) (Hong 1980). In post-war Korea, Mahāyānist Buddhism was the largest religion for 30 years, but it has recently been overtaken by Protestant Christianity, which, according to Kim (2000), has expanded ever since its introduction in 1884 by American Protestant missionaries. This author writes that "the number of Protestant Christians [in South Korea] has increased faster than in any other country in Asia" (Kim 2000: 117). According to the Korean Statistical Information Service (2015), roughly 44% of the population identify with a religion: 19.7% identify as Protestant Christians; 15.5%, as Mahāyānist Buddhists; and 7.9%, as Catholic Christians. Since 2011, the Korea Social Enterprise Promotion Agency (KOSEA) has worked with Buddhist, Protestant and Catholic SE support organisations. These include the "Christianity Social Enterprise Support Centre" (CSESC), established by numerous Protestant Christianity Churches and NGOs. CESC has initiated SE academies and forums and helped to establish SEs by purchasing products and providing practical support and resources, with the explicit aim of propagating religion through activities (CSESC 2017; Ministry of Employment and Labour 2017). In this context, the case study chosen—namely the "Loving Line Empathy Shops"—is of interest for exploring SE in an advanced institutional context, where levels of economic development and cultural and religious heterogeneity provide a strong basis for testing James' (1993) hypotheses pertaining to competitive congregation building. Beyond this, there is also fertile ground for analysis of hybrid institutional logics and responding to the call for research on the way religious organisations take shape within "inter-institutional systems" (Tracey 2012).

The first Loving Line Empathy Shop was established in South Korea in 2002, in partnership with Onnuri Church.[4] Loving Line adheres to "the ministry of community movement and love which will enable people to have empathy, beyond sympathy, toward neighbours". It is also mentioned that the Empathy Shop "draws a biblical economic model which transforms a polarised capitalism to community capitalism and revives the community economy".[5]

Empathy Shops are similar to charity shops; they collect second-hand or stocked items at lower prices and resell them at a profit. One hundred percent of profit is donated to social projects helping vulnerable people in South Korea and other countries. In the first instance, the establishment provided assistance to a project run by a Swiss woman who sent Mongolian quilts to North Korea to help people who struggled to cope with the cold weather. A group from the Onnuri Church organised charity bazaars, and their success led to the first Empathy Shop officially opening on Onnuri Church premises in 2003 (Shim 2009). The Church also offers human resources. The Onnuri Church is one of biggest Protestant churches in South Korea, and the Empathy Shop has benefited from the support of this church's volunteers. Some members of the church volunteered to design the logo and poster, and to decorate the interior of the shop. After the opening the shop, church members also volunteered to run the shop, cleaning and selling the items.

Nowadays, Loving Line has physical shops in Seoul and an online shop.[6] The enterprise receives a 25% commission on sales, which is used to support community-based social entrepreneurs. The focus is not on providing social services directly, but instead on supporting service providers through finance and better networks (Shim 2009). Moreover, revenues support study groups on "community capitalism". Shim *et al.* (2008) define community capitalism as "an economic system which puts sharing into action through innovative business activities", while the Onnuri Church expresses that it embodies "a puritan ethic which emphasises that the sanctity of labour and occupations are callings from God".[7]

The Loving Line Empathy Shops are not a government-certified SE in South Korea. The founder, Dr. Sang-dal Shim, did not even realise that their activities could be considered as SE activities in the manner that government legislation describes. He started the first Empathy Shop "just to help people" (Interview, June 1, 2014) and realised only later that such initiatives could be referred to as "social enterprise".

Dr. Sang-dal Shim views a social enterprise as an organisation which practices community capitalism by helping the neighbours, with good will or/and empathy, regardless of its certification. Furthermore, legitimacy is derived less from religious beliefs than it is from market forces. Loving Line has innovated and modernised its stores and online sales in response to customer preferences. This has involved retailing partnerships with the private sector, and one of the central factors for Loving Line's success has been challenging stereotypical views about Empathy Shops as retailers of cheap, inferior and second-hand goods (Shim 2009: 49). The case of the Empathy Shops is meaningful because it is legitimated by sound business principles applied to religious values, thus belying the notion that religious organisations should not have economic objectives. The founder of the Empathy Shops mentions that they "had to convince members of

the Church that social entrepreneurial activities [could] help the Church do its social role—helping the neighbours" (Interview, June 2014). Loving Line also clearly acknowledges that churches have good resources for social entrepreneurial activities, such as facilities, volunteers and networks of church members.

In summary, although the government's institutional influences are powerful in South Korea, the Loving Line has defined its organisational form and activities based on its own understandings, rather than being "co-opted" by the certification system. For the Loving Line Empathy Shops, working with people who have a similar sense of mission is more important than benefiting from subsidies. Sustaining the Empathy Shops without relying on government subsidies for certified social enterprises was possible not only because the founding members strongly believed in people's empathy for each other, but also because they identified and used the potential of the Church itself as a powerful source of resources—access to big markets, volunteers and member networks.

Malaysia and the Baitul Fiqh Welfare Home

Malaysia is historically a multi-cultural, religiously plural nation. Islam was brought to Malaysia in the 13th century by Sufis and traders. While the country was predominantly Muslim by the 15th century, Muslim Malays coexisted with Buddhist and Hindu influences (Abdul Hamid 2013; Camilleri 2013). The equilibrium was disrupted by British colonial rule, in the 19th and 20th century, when the introduction of Chinese and Indian migrants into mines and rubber plantations fostered cultural and religious cleavages, while Christianity was strengthened (Camilleri 2013: 226–7). Today 60% of the Malaysian population are Muslims, 19% are Buddhist (dominantly Mahāyānist), 9% are Christians and 6% are Hindus (Yaacob 2011: 167). Scholars observe that moderate Islam and the culture of religious dialogue have recently been displaced by a conservative "One Malaysia" discourse, indicating a rise in "religious nationalism" in place of ethnic nationalism (Abdul Hamid 2013: 14–15; Camilleri 2013: 236). Nonetheless, Malaysia is a religiously heterogeneous country, where the level of economic development allows people choices. In such contexts, James (1993) expresses that competitive aspects of recruiting followers constitute the main driver of religious non-profit service provision. What is of interest here is to consider whether religious conservatism, specific social demographics being catered for and the types of services that a social enterprise offers are variables to be considered alongside competition. Indeed, it is also worth considering whether there are circumstances where the type of competitive congregation-seeking activities that James brings attention to cease to be applicable at all.

Baitul Fiqh Welfare Home (BFWH) is an NGO set up in 2005 to provide shelter for Muslim women in need. Baitul Fiqh means "house of Islamic

jurisprudence". Since its incorporation, BFWH has helped to deliver over 300 babies of unwed mothers, sheltered more than 700 abused women and found homes for over 300 abandoned adolescent women. BFWH also operates a food bank and weekly soup kitchen for the homeless. The founder of BFWH, Haliza Abd Halim, previously worked for a Christian NGO serving vulnerable pregnant women; a referral to deliver a Muslim baby and the realisation of the lack of Muslim NGOs in this field gave her the impetus to launch BFWH (Tho 2009). Baitul Fiqh SE sells the cakes and cookies which it bakes, generating sufficient income to pay for the rental of the shelter premises operated by the organisation. The baking programme started because a volunteer chef taught staff baking skills. Baitul Fiqh also sold second-hand goods, as well as toys donated as gifts in kind by large companies, but it stopped this activity due to lack of manpower.

The religious belief underpinning BFWH's commercial activities is that working to get one's funding is better than asking others for money. However, the organisation's main source of revenue is still grants and donations from corporations, individuals and mosques—although contributions from the latter are not significant, compared to donations overall. As far as human capital is concerned, the NGO relies both on paid staff and volunteers. One challenge BFWH faces, when seeking to raise donations and attract Muslim volunteers, is the fact that its social mission is often perceived negatively. Some Muslims sense that helping BFWH beneficiaries means condoning pregnancy out of wedlock or entails risks of becoming religiously corrupted by sinful acts that hinder one's personal progress to paradise. At the institutional level, mosques are less keen to donate because their giving is usually allocated to purposes traditionally prescribed for *zakat* contributions, such as support to religious schools, the poor and needy (Nadzri *et al*. 2012). However, the founder does report one sermon where the local Imam said that Baitul Fiqh served a good cause and encouraged Islamic devotees to help. There has been no other notable religious institutional assistance, except for guidance from officers of the Ministry of Furtherance of Islam in Malaysia (*Jabatan Kemajuan Islam Malaysia*, or JAKIM) relating to acceptable practices and procedures in events such as deaths of beneficiaries or divorce.

In order to achieve its organisational goals, BFWH embeds the Muslim faith in its key avenues of work with beneficiaries. Counselling and group support are based on Muslim principles and, on a daily basis, beneficiaries communally participate in the five Muslim prayers, with core messages relating to repentance and kindness to others. In its external communication, the organisation incorporates Muslim sayings. According to online information, BFWH was established to "create and administrate a custody or protection centre for teenage girls who were involved in social ills, and help poor single mothers, orphans, potential converts,

and those who have fallen away from the faith".[8] The founder considers that it was her family (rather than the mosque) that had the most decisive religious influence on her initiative. For instance, it was her father, rather than the Imam, who told her not to charge beneficiaries for the assistance offered. Her immediate family does not hold positions in mosques; however, her great-grand-father played an important religious role in the state, while her cousins completed Islamic studies overseas to become *Ustaz* (or "religious scholars"). She occasionally asks these cousins for religious advice and clarification about Islamic principles.

BTWH committee members are all Muslims, and some of them are religious scholars. However, the organisation is not spiritually accountable to any formal religious institution. In terms of governance, the organisation is administratively accountable to the police, welfare department and Muslim religion council as far as its social work is concerned. In terms of external assistance, the organisation works with government agencies as well as with NGOs (by cross-referring cases) of other faiths. It seems that formal accountability to other stakeholders in the community, including service users, is not high. There are no formal mechanisms in place for giving them a role in decision making either. The founder justifies this on the basis that, in the past, committee members in the community have tried to push their own agendas rather than supporting the organisation or the causes it pursues. The founder of Baitul Fiqh Welfare Home considers the organisation to be accountable by demonstrating success according to two criteria: first, the sustainable operation of the organisation, so that beneficiaries can have successful stories, such as being integrated back into society with jobs and continuing to practise Islam; secondly, the absence of negative views held against the organisation itself. These criteria or signs of success are related to the founder's belief that Allah will continue to guide the organisation.

This case is meaningful for three reasons. First, the central religious influence in this case comes from the founder's family rather than from formal institutions, such as mosques. Her immediate and extended family, rather than societal expectations, serves as a religious compass. As a consequence, compared to other religiously affiliated organisations, she enjoys greater freedom to pursue specific social needs; this also creates more avenues for social innovation and entrepreneurship. However, a deterring factor is the lack of human capital. Secondly, obtaining the support of religious clerics is not easy, because of the stigmatisation of the beneficiaries, who are often considered as the victims of their own sinful acts. In this regard, the support of fellow organisations in the same sector was important in the initial stage. Thirdly, there is cross-assistance between the organisation and NGOs of other religions; cooperation is thus not limited to enterprises of the same faith. The importance of serving beneficiaries is thus prioritised over religious affiliation.

Cambodia and Buddhism for Social Development Action

It is thought that Indian migration brought Khmers (the majority Cambodian ethnic group) into contact with Buddhism in the 5th century (Harris 2008: 4–5). Mahāyānist Buddhism was widely mixed with Hinduism by the 10th century (Harris 2008: 17–18). By the 14th century, most Khmers had adopted Theravāda Buddhism, mainly via interaction with inhabitants of the Thai central plain, although travelling Burmese and Ceylonese missionaries also played a role (Chandler 2008: 81). In the late 20th century, Cambodia was notoriously engulfed in successive conflicts and traumas, including the Maoist Khmer Rouge period, when religious institutions were annihilated.[9] However, Theravāda Buddhism has proven remarkably resilient. Today, 95% of the Cambodian population are Theravāda Buddhists, while less than 3% are Cham Muslims and Christianity is practiced by less than 2% of Cambodians (Peou 2017: 36–37). Religious heterogeneity in Cambodia is thus comparatively low. The case study of a Theravāda SE that follows is interesting to the extent that, following James' (1993) analysis, the question remains open of whether recruiting followers is significant or whether (given the relatively low level of economic development) more immediate necessities, related to deficits in services, tend to take precedence.

Buddhism for Social Development Action (BSDA) is a community development NGO based in Kampong Cham Province, in Eastern Cambodia; it was established in 2005 by seven monks using their own resources. In 2007, BSDA gained funding for a project supported by the United Nations Office on Drugs and Crime, and it has since expanded with aid-funded programmes/projects addressing health, HIV/AIDS, youth empowerment, vocational training and children's education. BSDA uses land and buildings owned by the local pagoda (Wat Nokor Bachaey) to run some activities. BSDA has also integrated SEs into its programmes, including:

- the SMILE vocational training restaurant—a work integration enterprise initiated in 2009 with US$10,000 of capital contributed by BSDA's largest donor (EcoSolidar, an International NGO which is based in Switzerland). SMILE provides vocational training for fifteen youth at a time. It attracts tourists in Kampong Cham and is the principal outlet for BSDA's weaving enterprise, which manufactures traditional Cambodian scarves (*kroma*). Twenty percent of profits go to BSDA's social programmes;
- the Angkor Language School (ALS), which teaches English and Chinese each evening, using local school facilities. ALS grew by mobilising volunteer teachers (including monks). Fees vary between US$1.5 and US$3 per month. Net profits are marginal, but ALS sustainably

provides affordable language tuition to more than 600 children and young adults from surrounding villages and creates part-time work for 20 teachers;

- the BSDA traditional dance enterprise, which enables children from poor families to gain incomes by performing for tourists and at local weddings and festivities. Seventy percent of revenues are shared among performers to sustain their school attendance. The enterprise is run in the spirit of boosting children's confidence and pride in Cambodian culture, and teaching solidarity.

As far as the founding narrative of Buddhism for Social Development Action is concerned, the text in BSDA's promotional documents (including every Annual Report between 2011 and 2015) and on BSDA's website (www.bsda-cambodia.org/who-we-are/) is worth quoting:

> *The community felt that monks would preach altruism in theory but hardly ever practice it. Deeply hurt, seven monks founded the organisation, financing it privately throughout the first three years until their work was noticed and international donors started to provide funding.*

The first element of this foundational narrative concerns Buddhism as a force for mutual assistance, intertwined with restoring the reputation of Buddhist monks. In interviews with five remaining founding members in 2013, these same concerns arose prominently. The chief executive explained: "We wanted a holistic approach. Income was not important, we wanted to provide training and promote accountability". This is echoed in strategic plans, which feature consistent emphasis on the Buddhist principle of *Mettā*—the cultivation of boundless, selfless love and compassion, as opposed to friendliness based on self-interest. *Mettā* is commensurate with self-sacrifice, and here the second element in BSDA's foundational narrative emerges: a period of self-sacrifice, when the monks financed work with their own small resources (mostly money from performing Buddhist chanting called *smot*). In a group discussion, this period of self-sacrifice and struggle was also narrated by two founding members. However, the concluding outcome (and third part of the narrative in the quoted passage), i.e. the intervention of international donors, might be read in two ways:

- it reveals BSDA's need to resort to external aid and BSDA's usefulness to international development NGOs that seek to spend significant sums of money on programmes in Cambodia by enrolling local "implementing partners" (see also Courtney 2007); or
- institutional donor support can be considered as the ultimate recognition of BSDA's important work and potential to deliver larger-scale programmes through the channels it created.

In the latter of the above readings, international aid brought self-sacrifice to an end, allowing BSDA's staff the moderate consumption of some of the economic value generated by their hard work. This could be read, from the point of view of Buddhist morality, as the "middle-way" between hedonism and suffering (asceticism)—i.e. some desires should be satisfied, but it is preferable to desire little (Kolm 1995: 239).

To some observers, Buddhist monks initiating SEs may typify "engaged" (or "socially engaged") Buddhism—a term implying a reformist stance, as it also implies attending to the social and political conditions of worldly suffering rather than to the mind alone (Harvey 2000: 12–13). The origins of engaged Buddhism remain contested, but a heuristic distinction between modernist (to which it is generally attributed) and traditionalist interpretations is nonetheless maintained in well-regarded scholarship (Queen 2003: 15). Moreover, in aid-dependent Cambodia, this distinction is pertinent because international aid to Buddhist organisations has been allocated exclusively to programmes based on socially engaged Buddhism that move in a modernist direction, in accordance with the objective of strengthening civil society (Harris 2008: 212).

Traditionalists in the Cambodian *sangha* (the "monastic community" of monks and nuns, or the "Buddhist order") tend to claim that monks should dis-engage from secular affairs in order to reflect properly on the path to enlightenment. This is countered by modernists, who express that one's journey into the next life is determined by meritorious acts in the present life (Sreang 2008: 247). However, there is also a political dimension to the question, because the traditionalist Cambodian *sangha* has been co-opted at the highest level by political elites since the 1980s. The *sangha* discourages the participation of monks in the development of a civil society separate from political power, and says little or nothing about institutional corruption (Harris 2008: 216–20; Sreang 2008: 245–9).[10] Tellingly, BSDA's contra-position is reflected in campaigns for accountability, launched through a network of affiliated monks, while founder members have also worked with Transparency International.

From an institutional perspective, it is clear then that influences on BSDA are national, transnational and multi-faceted. Whether BSDA attracts donor aid because of its modernist, socially engaged disposition or whether BSDA alertly developed this posture to attract such funding is not entirely clear. However, BSDA has strongly exercised agency while determining its strategies. The chief executive explained for instance that EcoSolidar was reticent when approached for funds to establish the SMILE restaurant. EcoSolidar was only interested in charitable work but was finally persuaded that an entrepreneurial approach to vocational training would be more holistic. Most recently, BSDA has registered its SEs into a formal business that allows members to hold shares. In summary, BSDA enacts legitimacy-seeking behaviour in different ways, combining activities that suit the ethos of engaged Buddhist practices of care

for communities with a credible business model while at the same time (out of necessity) remaining mindful of the needs and priorities of international aid agencies.

3.4. Findings

Religion is considered a prominent force for social development and entrepreneurship because it harnesses moral imperatives and pro-social motives (Ataide 2012; Martin *et al.* 2007). Motivations underlying the creation and operation of the SEs analysed in this chapter concur with this. The Loving Line Empathy Shops in South Korea are motivated by a religious work ethic and propagate faith as a way to promote entrepreneurialism geared towards equitable local economic development and services. Similarly, Baitul Fiqh was founded on the conviction that religious guidance promotes self-reliance, in this instance as a means to challenging social stigmatisation and exclusion. BSDA puts *Mettā* (authentic loving kindness) into practice through a SE that creates the conditions for youth and community empowerment.

James (1993) predicts that the levels of economic development and government budgets, along with cultural and religious heterogeneity, greatly determine whether and why religious organisations get involved in not-for-profit education provision. In higher-income countries, consumer preferences matter more, and religious heterogeneity drives competition for recruiting followers. By contrast, in low-income countries, religious organisations are driven more by the immediate need for non-state services than by the recruitment of followers. Based on our case studies, we can say that James' hypotheses are also confirmed, to a large extent, in religion-driven SEs—*but not entirely*.

- The Loving Line Empathy Shops are a partner of the Onnuri Church, a megachurch in South Korea that supports social entrepreneurship as a way to propagate faith. This SE does not provide social services directly but supports social entrepreneurs who do so in their respective neighbourhoods. It actively promotes its particular ethos of "community capitalism", as a way to disseminate religious beliefs. This example tends to confirm James' hypothesis that, in a higher-income, religiously heterogeneous country, religious enterprise is mostly concerned with recruiting followers.
- Baitul Fiqh Welfare Home operates in Malaysia, an upper-middle-income country with significant religious and cultural heterogeneity (despite the government lately promoting a Muslim national identity). Partially contradicting James, the drivers behind this SE are somewhat mixed. The organisation provides services that are neglected by the state more for ideological reasons than for economic ones, showing how other factors than the level of economic development

determine an immediate need for non-state services. The organisation is driven by the desire to promote the Muslim faith as a basis for well-being, but it is not competitive in outlook and it works (out of necessity) with non-Muslim faith-based organisations.

- In Cambodia, which was, until recently, a low-income country, BSDA provides vocational training, health and education services. Concurring with James, providing services that are neglected due to low public budgets has become the overriding concern as BSDA has grown through access to financial aid. But the priority of providing services does not mean that congregational support is not a raison d'être. Maintaining the integrity of Buddhism is integral to BSDA's narrative, despite the fact that Cambodia is religiously homogenous. In summary, BSDA is in the business of *maintaining* the legitimacy of religion through social engagement, in a context where it has been damaged by repression and then co-optation, rather than competing for legitimacy with other religious denominations.

In the recent development of institutional logics perspectives, there have been calls for investigation of religious logics in relation to "inter-institutional systems" (constituted by markets, bureaucracies, communities, professional associations, family and Church) (Thornton *et al*. 2012; Tracey 2012). The case studies presented here also contribute to such investigation across different contexts.

The Loving Line Empathy Shops seek legitimacy foremost as a market actor. A core strategy of this SE to achieve its goals is to change the public perception of Empathy Shops by responding to consumer preferences through innovative online retail, in partnership with the private sector. The SE uses revenues to support its social mission, but it would be incorrect to think that business is only a means to an end. Rather, in a way that reminds of the historic Protestant business ethos (Spear 2010), the principle of "community capitalism" implemented here states that entrepreneurship is *the explicit enactment* of religious work ethic, embedded in good governance. This reconciliation of faith and business lets the Loving Line SE seek its legitimacy in the market, while maintaining legitimacy among supportive actors who facilitate access to resources, including volunteers and church facilities. It is particularly interesting to note that, while the government provides a framework for SE accreditation, Loving Line declines it. It seems that the desire for autonomy outweighs the resources and subsidies that the state is offering. Whether this is due to wariness of co-optation, the desire to choose workers with compatible religious ethos or a conviction that subsidies are anathema to the ethos of "community capitalism" (and by extension to Loving Line's religious ethos) is unclear. Possibly all three factors play a role. In this instance, religious logic is more easily reconciled with the logic of markets than with that of bureaucracy.

Baitul Fiqh Welfare Home seeks legitimacy foremost as a welfare service provider, while religious teachings are used as a pathway to well-being. The existence of the commercial bakery does not mean that BFWH seeks legitimacy prominently in the market. Rather, from a religious perspective, independence is considered the most ethical path to social change, and trade allows the organisation to act in accordance with this idea. Baitul Fiqh's accountability to government agencies and to the Muslim Religion Council shows that bureaucratic legitimacy is important, despite there being no significant access to resources from the mosque. Notably, community logic does not feature strongly (perhaps due to prominent bureaucratic logic) and the empowerment of individuals, rather than communities, is the main objective. BFWH also notably works against the grain of contemporary religious nationalism by partnering with organisations of other faiths. This practical approach mobilises more resources towards meeting its constituency's needs, again reflecting that legitimacy comes foremost from professional service provision. This is commensurate with Ataide's (2012) claim that "socio-religious entrepreneurs" put social missions first and proselytising second—thereby standing in contrast to secular social entrepreneurs, whose first interest is also their social mission but whose secondary interest tends to be impacting public policy (Ataide 2012: 185–6). In the case of BFWH, the freedom to pursue social aims is significantly enhanced by the founder taking religious influences from the family rather than from the mosque. This makes the prominent organisational logic of Baitul Fiqh an inter-institutional blend of family, professional, bureaucratic and faith-driven logics, with institutionalised religious logic and market logic having less prominence.

While BSDA does not compete to recruit followers, competition of another form has significantly driven the formation of a socially engaged Buddhist identity: namely competition between NGOs for international aid. BSDA's more recent market orientation has intensified with formal business registration, but this is also reflective of the competition for aid, which increases the need for diversified revenues. Market legitimacy has been imperative for maintaining the success of the SMILE restaurant over time (the restaurant ranks highest among the restaurants in Kampong Cham on the "TripAdvisor" website). At the same time, the restaurant functions as a work integration enterprise, employing workers from the surrounding villages, which shows that the logic of BSDA remains embedded in communities. Indeed, this particular logic gives BSDA a legitimacy that allows it to mobilise the goodwill of volunteers and enables the ongoing use of local school buildings for the SE's language school. Meanwhile, the ongoing use of the pagoda grounds for the dancing enterprise and for the vocational training and social programme delivery bear testimony to BSDA's institutional legitimacy as a faith-based organisation (even though BSDA is at odds with upper echelons of the *sangha*). In summary, it seems that a holistic ethos, in accordance with

the principles of "right livelihood" and asceticism, which are essential to Buddhist economics (Mendis 1994; van Willenswaard 2015) and allow for the investment of resources into sustainable ventures, are the variables underpinning BSDA's incorporation of religious logics into "inter-institutional systems".

Conclusion

Case studies in this chapter show how social entrepreneurship, just like other types of entrepreneurship, is culture-bound; as a consequence, universal frameworks possess only limited analytical value (Dana and Dana 2005). Our findings partially support James' (1993) hypotheses pertaining to religious schooling in the non-profit sector. The findings call for nuanced understandings, taking into account a wider range of contextual variables than income status and religious/cultural heterogeneity, to understand strategies adopted by religiously motivated SEs. In Malaysia, a religiously diverse upper-middle-income country, the social goals of Baitul Fiqh appear as more important than recruiting followers. Furthermore, it is social conservatism, rather than public budgets, that determines the need for service provision. In Cambodia, while meagre public budgets heighten the motivation to provide services, maintaining the integrity of religious faith was the primary impetus for initiating BSDA. Moreover, socially engaged Buddhism simultaneously enacts a specific religious ethos and strategies for organisational sustainability. In summary, BSDA's religious identity is overdetermined by multiple inputs at the local, national and international levels. The Loving Line Empathy Shops do give credence to James' (1993) hypothesis pertaining to competition for the recruitment of followers. This enterprise guards its own autonomy closely, suggesting a strong desire to keep the religious ideals intact. Even where engagement with bureaucracy might leverage competitive advantages concerning outreach to a wider congregation, there is wariness of co-optation and dilution. This insight is important; it reminds of the inability of faith organisations and development agencies to resolve tensions between them—an inability that precipitated a decline in the World Faiths Development Dialogue, after much promise at the start of the millennium (Haynes 2013). This is a cautionary note for development practitioners who would want to integrate faith-driven SEs into other bureaucratic institutional frameworks, although, in our data, Baitul Fiqh shows that there are circumstances where the reconciliation of religion and bureaucracy is possible.

Notes

1 Pro-social motives and shared values could be considered as manifestations of "social capital", which has been a prevalent (although contested) part of the developmental discourse for more than 20 years (Fine 2001).

2 Mutual apprehension has since constrained these relationships and WFDD has retreated to becoming a small initiative based in Georgetown University, in the US (cf. Haynes 2013: 59–63).
3 BAM is well known in Cambodia as "freedom businesses" that fight sexual trafficking and violence against women (Marshall 2012).
4 The Onnuri Church is one of the megachurches in South Korea (a megachurch is a Protestant Christian church having over 2,000 people in average weekend attendance). In 2011, the attendance of the Onnuri Church exceeded 75,000 people.
5 http://sjm.onnuri.org/love-chain/
6 http://storefarm.naver.com/empathyshop
7 http://sjm.onnuri.org/love-chain/
8 http://baitulfiqh.com/tentang-baitul-fiqh/
9 Prior to the Khmer Rouge period (1975–1979), there were more than 62,000 monks in Cambodia, in 3,000 monasteries. More than 25,000 monks were put to death during the Khmer Rouge period, and less than 100 monks remained in robes by the end of it (see Harris 1999: 67; Harris 2008: 179).
10 In the early 1980s, leaders of the defected Khmer Rouge who (with Vietnamese military support) ousted the Khmer Rouge regime and who still remain in political power today, started reconstructing the *sangha* as a way of strengthening their legitimacy and extending patronage in order to cement their political power (cf. Harris 2008: 193–200).

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