

Russian Philosophy of Business

by M.I. Danilova

Contemporary Russian scholars note the importance of maintaining the culture and status of business as an essential prerequisite for the success of social and economic modernization. At the same time, these scholars are critical of unbridled capitalism, a pervasive problem in modern Russian society. This misguided approach leads to the attitude that one should pursue wealth by any means regardless of the ethical consequences. Many philosophers of business ethics thus recognize the need for moral criteria in order to foster value-driven attitudes concerning work, wealth, and accumulation. Some thinkers have tried to solve this problem by constructing a religious and philosophical system governing the economy premised on Orthodox doctrine that would function in a similar manner as Protestantism has for Western capitalism. Although some individuals believe that Orthodox business ethics is inferior to the Protestant ethic on account of its otherworldly orientation, the orthodox approach may be the most helpful worldview in counteracting the tendency for unbridled “mafia-style” capitalism in Russia.

Russian philosophical thought of the nineteenth and twentieth centuries attempted to reveal the foundations of various spheres of human activity (economics, politics, and aesthetics) with the understanding that these institutions are bound by spiritual commitments. In stark contrast to Marx’s economic determinism, these thinkers asserted that spirituality and morality determine the economy rather than the economy being the foundation for all other social and cultural institutions. Notable thinkers adopting this approach include Nikolai Alexandrovich Berdyaev (1874-1948), Sergei Nikolaevich Bulgakov (1891-1940), Vasily Vasilievich Rozanov (1856-1919), Vladimir Sergeevich Solovyov (1853-1900), Sergei Nikolaevich Trubetskoy (1862-1905), Evgenii Nikolaevitch Troubetzkoy (1863-1920), Georgy Fedotov (1886-1951), Pavel Florensky (1882-1937), and Semyon Frank (1877-1950). The Orthodox approach to the economy adopts a fundamentally different orientation than is found in Western societies since it prioritizes ethical standards over a pure profit motive. Bulgakov expresses this in following manner: “The Orthodox ethic of collectivism is the ethics of individuals united by collective moral values.”¹ The Protestant ethic of Western individualism is deprived of this value since it is premised on autonomous individuals. Several thinkers throughout the late nineteenth and early twentieth centuries attempted to

elaborate the orthodox conception of property, business, and other socio-economic relations; in spite of their efforts, they failed to realize a totalizing conception regarding the role of religion in regulating the economy.

One of the earliest historical sources for information about Russian attitudes regarding acquisitiveness and business ethics comes from the *Domostroi*, a fifteenth century manual of rules regarding how to run a household. Historians often mistakenly associate the *Domostroi* with secularism on account of the individual's liberation from Orthodox Church doctrine, whereas it should more rightfully be understood as the attempt to spread Christian values to an ever wider sphere of influence. The *Domostroi* delineates two duties of a person: "hard work" and "righteous work." Labor is thus construed as both a punishment for original sin and as service to God. The *Domostroi* exhorts individuals to provide for themselves by adopting a modest lifestyle: "For every person must flee vainglory, flattery, and ill-gotten gains and live according to his means, thinking ahead, acquiring and spending according to his own true income" (Pouncy trans., 123). Moreover, individuals must be fair in their commercial dealings: "Merchants, master-craftsmen, and small landowners should likewise be straightforward and devout as they pursue trade, engage in crafts, or till the soil" (Pouncy trans., 122). Despite this warning to pursue honest business dealings, the *Domostroi* does not denigrate acquisitiveness as in any way an unholy act. On the contrary, the *Domostroi* regards the possession of riches as a testament to God's favor: "As they perform each good deed and amass their property according to Christian law and the Lord's commandments, they please those in this life and merit the life eternal" (Pouncy trans., 122). The possession of wealth did not however entitle the person to being idle or extravagant as the *Domostroi* encourages the dutiful Christian to be a careful steward over his worldly possessions, equally safeguarding things of great value as much as menial scraps left over from the servant's activities around the house. This is not greed and stinginess as the *Domostroi* was often reproached, but rather the attempt to cultivate a careful attitude to everything that exists in this world as a gift of God.

A distinctively new orientation toward the economy emerges among the seventeenth century movement known as the Old Believers. According to I. V. Pozdeeva, the dynamics of the Old Believers' traditionalism gave rise to a special mobility for the individual.³ This is reflected in the Old Believers' conviction that the person does not exist for the sake of the temple, but a temple exists for each person. As early as the eighteenth century, a powerful commercial syndicate of old-believers emerged, who would ultimately evolve into the captains of Russian industry at the turn of the 20th century. Within the framework of this confessional community, the personality and economic orientation of the Old Believers was shaped.

With the development of capitalism in the modern era, a bourgeois personality type emerged in Russian society. Bourgeois values inverted the older aristocratic notions as diligence replaced contempt for work and prudence and frugality replaced extravagance. Rather than being judged by one's lineage and noble birth, wealth became the new standard for judging a person's worth. In addition to being involved in trade, the Russian Merchant class included brokers, creditors, as well as the owners of factories and shipping vessels. Russian literature on commerce dating from the middle of the eighteenth century describes the characteristics of the "perfect merchant."⁴ In addition to knowledge that had practical application, the perfect merchant should possess knowledge of "useful auxiliary sciences," such as commercial policy, the history of commerce, heraldry (for obtaining knowledge of foreign currency), natural history, and drawing. It was further recommended that merchants familiarize themselves with commercial affairs, as well as politics both domestic and abroad. Wealthy merchants desired to be chosen by the church elders for leadership roles and were committed to performing charitable works in the name of God. At the same time, faith in God was pursued with the expectation that good deeds would be remunerated by Divine protection for accumulating riches. The merchant's pursuit of profit over and against the church's strict regulations regarding business practices led to the emergence of a corporate culture that attempted to work around the church's regulations.

An early Orthodox contribution to the philosophy of business ethics comes from the sermons and teachings of Metropolitan Eugene Bolkhovitinov (1767-1837). Bolkhovitinov says in a sermon, "Man was created not for rest and idleness, but to work... Labor, by the predestination of God, is appointed to be our duty not only to preserve our existence, but also for the delights that we receive of goods."⁵ Drawing on both the Gospels and patristic literature, Bolkhovitinov asserted that while the dignity of man is determined by his work, the social order is fundamentally beyond human control. He therefore exhorts each loyal subject to hardworking correction of his soul.

Building on this spiritual conception of the economy in the second half of the nineteenth century, Solovyov poignantly proclaims the integral role of moral principles in governing business relations:

Free play of economic factors and laws is only possible in a community that is dead and is decomposing, while in a living community that has a future, economic elements are correlated with and determined by moral ends. ...There has never been, however, a stage in the life of humanity at which this material necessity was not complicated by moral considerations not even at the very lowest stage. (Jakim trans., 328)⁶

Solovyov criticizes all Western economists as denying ethical principles in the field of business relations. This, in his opinion, is the cause of all economic disasters. If profit-making is the sole goal of trade, then it is possible to justify any ill-gotten gain; this is an inevitable consequence of prioritizing material and economic interests over moral principles.

For Solovyov, integral knowledge – the synthesis of science, art and philosophy – rests upon a moral foundation. In this conception, man appears in three forms of being: feeling, thinking and active will. Feeling is rooted in objective beauty; thinking is rooted in objective truth; will is rooted in objective goodness. Further, three spheres of human existence are distinguished: creativity, knowledge, and practical activity. These spheres have three degrees of expression: material, formal and absolute. Practical activity at the level of material embodiment appears as an economic society (*Zemstvo*), at the formal level as a political society (state), and at the absolute level as a spiritual society (church).⁷ Solovyov's conception of the economy as a spiritual society (*sobornost*) is most realized in the communal ownership of property in the monastic order. Unlike collectivism, where the individual's ability to make independent judgments is eroded in the anonymous whole, the ideal of *sobornost* preserves the dignity and integrity of the individual through his voluntary subordination to the community and to a higher ideal.

In Solovyov's metaphysics, the Divine and non-Divine are not different in essence, but only a different arrangement of the same elements; the source of evil thus lies not in man, but in the Absolute. In the process of achieving total unity (the transformation of mankind into Godmanhood), Solovyov assigns to Russia and the Universal Church a special role in uniting Eastern and Western principles of Christianity. The unification of Russia with Europe will, according to Solovyov, help bring together all nations through a process of moral perfection on the way to realizing Godmanhood. World Harmony thus resolves the fundamental tension between man and the world. Economic activity of individuals transforms the world, and a person striving after the Divine is, in turn, transformed morally. Vasily Vasilyevich Zenkovsky notes Solovyov's departure here from Christian doctrine: "Solovyov's concept of 'Godmanhood' does not coincide with Christian doctrine. His metaphysics admits stages in the world's return to God, whereas, in Christian doctrine, man provides the key both to the origin of evil in the world and to the method of vanquishing it" (Klein trans., 501).⁸ Zenkovsky thus concludes that Solovyov cannot be considered an Orthodox thinker since God and man are partners in creating the world.

Perhaps the greatest Russian contribution to business ethics is the work of Bulgakov, who is respectively referred to as a "theologian" by economists and as an "economist" by theologians. Although ideas regarding the economy permeate all of his writings, his most sustained discussion appears in his 1912

work *Filosofia khoziaistva* (Philosophy of Economy).⁹ Bulgakov sums up his conception regarding the spiritual basis of the economy: “Pursuing the goal of economic recovery and renewal of society, one should not forget about its spiritual prerequisites, namely, the development of appropriate economic psychology, which can only be a matter of public education.”⁷ The need for labor and economic activity causes an unavoidable tension between man and the world. For Bulgakov, this tension is best resolved through the harmonization of man’s practical and spiritual needs in asceticism. Drawing on Schelling’s conception regarding the identity of the subject and object, as well as the understanding of nature as a living developing organism, Bulgakov suggested the compatibility of Christianity and the philosophy of identity. The highest unity is the unity of the transcendental subject, the universal spirit and the universal object.

Working through his initial interest in Marxism, Bulgakov critically rethought it through a religious point of view by considering how man could achieve moral perfection in his economic activity. Bulgakov, criticizing Marxism, argued that by denying the absolute, we deny our very humanity (1990, 239). The values of goodness, truth, and beauty have an *a priori* character rooted in the Divine. Bulgakov affirms that humans have an eradicable need to search for ideals that cannot be satisfied by material goods. According to Bulgakov, Marx simplifies the nature of man, reducing his essence to his social and economic relations. Bulgakov thus proposes Christian socialism, which contains ideas about a mixed economy and a state of universal prosperity. Christian socialism combines individual economic initiative and state regulation in such a way as to preserve the freedom and creativity of the individual.

Bulgakov was greatly influenced by Solovyov’s conception of Christianity being an effective force in transforming economic life. Christian socialists do not seek social change through external reforms, but rather change comes through the individual’s self-reflection upon his conscience and his external aspirations in order to realize Godmanhood. Bulgakov writes: “Politics or public morality becomes close to personal morality, presenting its necessary development and continuation. Morality grows into politics.”¹¹ The meaning of genuine socialism should be to implement social justice and concern for public welfare especially regarding the poor and disadvantaged. Following this approach, spiritual improvement and moral development of the individual are the most significant means for transforming the world. A person engaged in economic activities transforms the external world liberating and enlivening nature as a co-creator with God. Moreover, the creative process does not merely result in the production of goods, but also acts to constitute a spiritual community of others involved in the creative process. Creativity reveals the spiritual potential of the individual. In the spiritualized economy, individuals

strive for moral perfection through creative labor, which in turn transforms the economic system into the kingdom of God. Realizing himself in creativity, a person ceases to be isolated, is included in the universal being, and attaches to *sophia* or Divine wisdom. Bulgakov writes, “The historicism of human existence (which through man extends also to the world of fleshless spirits) attests to man's imperfection in every given epoch, as well as to his being called to perfection through self-creation” (Jakim trans., 150).¹²

Bulgakov saw common features in Christianity and socialism: the condemnation of exploitation and self-interest in business matters; promotion of just political governance; recognition of the universal brotherhood of mankind. Christian politics sympathizes with labor, thereby aligning itself politically and socially with its class interests. Berdyaev criticized Bulgakov for these views, arguing that he made religion into a public morality for reforming Bolshevism in the name of Christian socialism. For Bulgakov, socialism is a more stable and just economic system than capitalism because capitalism is fraught with crises and adopts a pragmatic orientation, in which material values are prioritized over spiritual values. In his opinion, socialism combined with Christianity can provide the only legitimate basis for a future political order.

Not only is the pursuit of material goods a false and perverted understanding of human existence, it actively enslaves individuals from realizing their true essence as spiritual beings. In the orthodox approach, no material good can ever be regarded as a worthy goal of life, because material things are temporary and transitory. That said, Orthodoxy does not condemn the use of material goods, but the wrong orientation to them. Regarding wealth as an end rather than a means leads to the individual's loss of freedom and the true meaning of life. Reasonable use of property means not only giving up selfish enjoyment of it, but also using it for the sake of serving God and others by lending assistance to those in need. In appearance, it will be no different than all the things of this world but according to its inner essence it will already be a small realization of the Kingdom of God. The rulers in this world must act like fathers to their subjects and like servants to the less privileged. The outlook of industrialists should be to serve, and not to rule.

It is also just and appropriate for the poor to desire greater economic prosperity. While a person can be a prisoner of both private and public property, he can also possess great wealth and be liberated from any internal enslavement to riches. Property is not only a right, but also an obligation. The individual's freedom thus depends on the enjoyment of both legal and economic rights.¹⁰

In pre-revolutionary Russia, there was a culture that encouraged entrepreneurial activity based on service to others. This value to regard others as one's compatriots persists in Russian culture throughout the various regime changes. Wealth was seen as a prerequisite for social service. This sense of charity toward others was preserved in the Soviet Union, but as a service to the

socialist Fatherland – a struggle to achieve the ideals of socialism and communism.¹⁴

Russian orthodoxy adopts a fundamentally critical stance toward the economy as morally bankrupt. The economic system holds the human spirit captive, denying any recognition of the individual's heart, soul, or relationship with the Divine. The influence of the Orthodox Church in Russia is thus considered to have had a humanizing effect on the economy, mitigating the tendency to deny the dignity of individuals in the name of pure economic efficiency. We must also credit orthodoxy with the broad philanthropy of the Russian merchant class, and the slow development of banking because of the church's condemnation against usury. The religious conception of the economic sphere being a part of a larger system or “super economy” can serve to develop the moral motivation of business. The fate of post-Soviet Russia relies upon the preservation and maintenance of a conception of the economic system as a spiritual community bound by certain moral commitments.

Notes

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1. Sergei Nikolaevich Bulgakov, *Christianskij socializm* (Christian socialism) (Novosibirsk: Nauka, 1991), 199. For further discussion of Bulgakov's economic thought, see Daniel Payne and Christopher Marsh, “Sergei Bulgakov's 'Sophic' Economy: An Eastern Orthodox Perspective on Christian Economics,” *Faith & Economics* 53 (2009): 35-51.

2. A. S. Orlov, ed., *Domostroi po konshinskomu spisku i podobnym, pts. 1–2* (Moscow: Sinodal'naia Tipografiia, 1908). Translated by Carolyn Johnston Pouncy as *The Domostroi: Rules for Russian Household in the Time of Ivan the Terrible* (Ithaca: Cornell University Press, 1994). For discussion, see Liudmila P. Naidenova, *Mir russkogo cheloveka XVI-XVII vv: (po Domostroiu i pamiatnikam prava)* (The Russian's World in the 16th–17th Centuries [according to Domostroi and Legal Landmarks]) (Moscow: Izdanie Sretenskogo Monastyria, 2003).

3. See I. V. Pozdeeva, “Lichnost' i obshchina v istorii russkogo staroobriadchestva,” (Personality and community in the history of the Russian

Old Believers) *Mir staroobriadchestva: Istoriia i sovremennost* no. 5 (Moscow: MGU, 1999), 3-28.

4. For discussion, see N. V. Kozlova, “Nekotorye cherty lichnostnogo obrasu kuptsa XVIII veka (K voprosu o mentalitete rossiiskogo kupechestva),” (Some Features of the Personal Pattern of a Merchant of the XVIII Century: On the Mentality of the Russian Merchant) in L. N. Pushkarev, ed., *Mentalitet i kul'tura predprinimatelei Rossii XVII–XIX* (Mentality and Culture of Entrepreneurs in Russia XVII-XIX Centuries) (Moscow: Institut rossiiskoi istorii RAN, 1996), 43-57.

5. Evgenii (Evfimii Alekseevich Bolkhovitinov), *Sobranie pouchitel'nykh slov, v raznye vremena I v raznykh eparkhiakh propovedannykh Sviateishego I pravitel'struiushchego sinoda I Komissii dukhovnykh uchilishch chlenom Evgeniiem mitropolitom Kievskim I Galitskim, Kievo-Pecherskoj lavry sviashchennoarkhimandritom I raznykh ordenov kavalerom* (A collection of instructive words at different times), ch. 1-4 (Kiev: tip. Kievo-Pecher. Lavry, 1834), Part 4, pp. 63-64, 68.

6. Vladimir Sergeevich Solovyov, “The Economic Question from the moral point of view,” in *Opravdanie dobra* (St. Petersburg: M. M. Stasjulevich, 1897), 532-546. Translated by Boris Jakim as *The Justification of the Good* (Grand Rapids: Wm. B. Eerdmans Publishing Co, 2005).

7. Vladimir Sergeevich Solovyov, *Chteniia o Bogocheloviechestvie*, in *Soch.: V 2 T, Vol. I* (Moscow: Mysl, 1989), 118. Translated by Peter Zouboff as *Lectures on Godmanhood* (London: Dennis Dobson, 1948).

8. Vasilij Vasil'evich Zenkovsky, *Istoriia russkoj filosofii* (Leningrad: Nauka, 1991). Translated by George L. Kline as *A History of Russian Philosophy, Vol. 2* (London: Routledge, 2003).

9. Sergei Nikolaevich Bulgakov, *Filosofia khoziaistva* (Moscow: Nauka, 1990). Translated by Catherine Evtuhov as *Philosophy of Economy: The World as Household* (New Haven, CT: Yale University Press, 2000).

10. Sergei Nikolaevich Bulgakov, *Dva grada: issledovaniia o prirode obshchestvennykh idealov*. (Two Cities: Studies on the Nature of Social Ideals: in 2 vols.) (Moscow: Tovarishchestvo tipografii A. I, 1911), 198.

11. Sergei Nikolaevich Bulgakov, *Ot Marksizma k idealizmu: sbornik stat'ei (1896–1903)* (Marxism to Idealism: A Collection of Articles 1896-1903) (St. Petersburg, Obshchestvennaia pol'za, 1903), 298.

12. Sergei Nikolaevich Bulgakov, *Nevesta Agntsa* (Paris: YMCA Press, 1945), 163. Translated by Boris Jakim as *Bride of the Lamb* (Grand Rapids: Wm. B. Eerdmans Publishing Co, 2001).

13. Sergei Nikolaevich c, *Pravoslavie: Očerki učenija pravoslavnoj Cerkvi* (Moscow: Terra, 1991). Translated by Lydia Kesich as *The Orthodox Church* (Crestwood, NY: St Vladimir's Seminary Press, 1988).

14. Peter Kozlowski, *Obshchestvo i gosudarstvo: Neizbezhnyj dualizm* (Society and State: The Inevitable Dualism) (Moscow: Izd-vo Respublika, 1998), 94.

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