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Entrepreneurship in Russia: Western Ideas in Russian Translation

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Abstract

The aim of this thesis is to outline, both historically and in our own time, the development of entrepreneurship in Russia, a country where the very existence of the phenomenon has for a long period of time been either denied or confined to the margins of illegality and semi-legality. The primary focus of this work is on the emergence of a new generation of entrepreneurs that came to thrive in the 1990s, the most turbulent but also the most promising years of Russia's economic, political, and social transformation.

Theoretically, the thesis is based on both current research on entrepreneurship in Russia and abroad and classical theories on entrepreneurship crosscutting economics, sociology, anthropology, and history. Methodologically, the work relies on empirical observation conducted during periods of fieldwork in the St. Petersburg, Russia, supplemented by a broader qualitative analysis of documentary sources such as official statistics, mass media, and other circulars and publications, in addition to existing scholarly literature on the subject. One specific case, Western business education in Russia, was selected for a closer study to provide a better picture of the development of new entrepreneurship, in particular independent entrepreneurship in the Russia of the 1990s.

Given the primary focus of the work, special attention is given to the country's transformation processes in the 1990s, and their relation to broader issues involving the development of capitalism, the role of the middle classes, gender and networks, and Western influence on economic and social developments in Russia throughout history. The study summarises and critically evaluates the existing body of knowledge in these areas while adding new data and hypotheses to improve our understanding of the subject.

First, the thesis challenges the widespread belief about the absence of entrepreneurship in Russia prior the economic changes of the 1990s. The various meanings of the concept of entrepreneurship are defined in different historical contexts, with the pre-revolutionary, the Soviet, and the post-Soviet Russian economy and society serving as significant landmarks in a continuum helping us to better understand the opportunities and constraints within which the contemporary Russian entrepreneurs have to operate. Two major historical continuities are analysed: the close relationship between entrepreneurship and the Russian state, and the significant overlap between the social categories of the entrepreneurs and the middle classes. The phenomenon of entrepreneurship in Russia is further examined as a creative response to the new opportunities opened up in a society undergoing change. Thus, although the new entrepreneurship in Russia evolved from within the collapsing communist system, it was also born out of great expectations and efforts, originating in the East and West alike, for a new society, a new type of economy, and new opportunities in life. Thirdly, the thesis extends the analysis of contemporary Russian entrepreneurship beyond its three commonly identified origins in the Soviet second economy, the Soviet cooperative movement, and the Soviet state and ministries. The fourth origin for entrepreneurial initiative was the new private business sector that became professionalised in aftermath of the 1998 economic crisis. The study looks at Western business education as one of the major channels for the recruitment and training of a new generation of entrepreneurs in Russia and one of the key mechanisms of influence and interaction between Russia and the West from the early 1990s onward. The argument is then developed that Western notions of capitalism, business, and entrepreneurship, instead of replicating the original patterns of development they reflect and refer to, produced considerably more varied results when intersecting with local conditions and the country's historical legacies. On the one hand, the ideas they represented had to be "translated" to better suit the Russia realities; on the other hand, they lent themselves to the creation of an alternative source of authority among Russia's new entrepreneurs, showing a potential to influence their business practices and business ideology in general.

Keywords: Russia, entrepreneurship, capitalist development, Western business education, Russian merchants, Soviet managers, middle classes, networks