

МОДЕРНІЗАЦІЯ ТА ЇЇ ВАРІАНТИ

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ENTREPRENEURSHIP OF THE MODERN IMPERIAL CITY: IN SEARCH OF ONESELF

Vodotyka Tetyana

(Institute of History of Ukraine, the National Academy of Science of Ukraine)

The author analyses the way entrepreneurs as a new social group inside traditional estate society searched for their role and place in this society. Participation in the city affairs as formal (city mayors, vowels) and informal community leaders legitimized the status and influence of entrepreneurs as the elite of the industrial age. The idea of selfishness and even criminality of entrepreneurship spread faster than entrepreneurs had time to formulate an alternative and represent it. Entrepreneurs themselves tried to prove their need for the society – on one hand. And charity was the strategy for such proof. On the other hand, they saw themselves as a new masters of life.

Keywords: entrepreneurship, city, Russian empire, modernization.

Підприємництво модерного імперського міста: в пошуках себе

Водотика Тетяна

(Інститут історії України НАН України)

Автор аналізує, у який спосіб підприємці як нова соціальна група всередині традиційного суспільства шукали свою роль та місце в цьому суспільстві. Участь у міських справах в ролі формальних (міські голови, гласні) та неформальних лідерів легітимізувала статус та вплив підприємців як еліти індустріального віку. Ідея егоїзму і навіть злочинності підприємництва поширювалася швидше, ніж підприємці встигали сформулювати і представити альтернативну тезу. Самі підприємці намагалися довести свою потрібність для суспільства – з одного боку, а з іншого боку, вони бачили (і демонстрували) себе новими господарями життя.

Ключові слова: підприємництво, місто, Російська імперія, модернізація.

Предпринимательство имперского города: в поисках себя

Водотика Татьяна

(Институт истории Украины НАН Украины)

Автор анализирует, каким образом предприниматели как новая социальная группа внутри традиционного общества недвижимости искали свою роль и место в этом обществе. Участие в городских делах в качестве формальных (городские головы, гласные) и неформальных лидеров легитимировало статус и влияние предпринимателей как элиты индустриального возраста. Идея эгоизма и даже преступности предпринимательства распространялась быстрее, чем предприниматели успевали сформулировать и представить альтернативный тезис. Сами предприниматели пытались доказать свою нужность для общества – с одной стороны, а с другой стороны, они видели (и демонстрировали) себя новыми хозяевами жизни.

Ключевые слова: предпринимательство, город, Российская империя, модернизация.

Entrepreneurs in the cities of the Russian Empire at the turn of the nineteenth and early twentieth centuries were in a duplicate situation. On the one hand, they determined the dynamics of social transformations, on the other hand – they often attempted to integrate into the existing estate system, looking for their place in the old imperial system of coordinates. An important factor influencing the formation of self-identification of entrepreneurship was the attitude of the rest of society. Not always entrepreneurship was perceived positively and in search of their place in the urban environment entrepreneurs have invented a variety of strategies.

Earning money and being wealthy was not considered such a positive trait. Orthodox morality did not do the economic success and entrepreneurship a virtue. Public opinion was the same. Especially in the conditions of the transformation of the estate system and the increasing discrepancy between the real status and the potential one of entrepreneurs in their place in the social structure, which naturally caused a rejection of a new stratum from the part of representatives of the traditional estates¹.

So, the consensus at that time consisted in the fact that entrepreneurs had to «serve», to prove their loyalty, as if justifying their success. The charity helped to achieve these goals.

Participation in the city affairs as formal (city mayors, vowels) and informal community leaders legitimized the status and influence of entrepreneurs as the elite of the industrial age.

I will speak about charity as an example of self-representation and as a strategy of self-legitimization.

Charity

Historical evolution of the relationship between entrepreneurship and society may be described by the the scheme «charity – ethics of service – ethics of responsibility».

We should note that ethics of service and ethics of responsibility are correlated with the traditional and modernist paradigms of culture. Activity of the entrepreneur is supposedly imperfect in terms of the morality of the traditional society. But it is organically embedded in the highest order, retains a sense of belonging to it. The relationship between the entrepreneur and his partners, clients, and employees is based mainly on paternalistic principles. An entrepreneur spends considerable money on the church, finances public initiatives, and invests money into the provision of urban amenities. Ultimately, the entrepreneur is dependent on society. The quality of goods and profit depends on the loyalty and honesty of employees, the commitment of local authorities, even the interests of the local community. So moving away from another donation to a church or school is a great risk that your employee would organize an «Italian strike» for a week or buyers will not stop near your shop.

With the evolution of industrial society, the social system was no longer regarded as a continuation of the higher order, but as an order established by people, the product of a «social contract». Therefore, social statuses and roles, obligations and laws must be evaluated, discussed and, if necessary, replaced by more perfect ones. This paradigm of thinking in the West countries has replaced the ethics of commitment with ethics of responsibility. Serving as an ethical paradigm of relationships between personality and

¹ Левандовская А. А. «Темное царство»: купец-предприниматель и его литературные образы // Отечественная история. – 2002. – № 1. – С. 146–157.

society becomes optional, formal links, regulated by ethically neutral principles (law, for example), become obligatory. Relations between business and society are considered as a contract².

By the middle of the nineteenth century, imperial entrepreneurship (merchants) developed mainly in the coordinates of the estate paradigm and ethics. In this context, the problem of duty to society and social service was solved. With the intensification of industrial development, business claimed to be increasingly influential. But the greater the social resonance business activity aroused, the more resilient was the resistance of society. After all, it remained traditional and perceived the ethics of service as an over-riding moral value.

The pressure of society on entrepreneurship prompted him to improve its social status and prestige. This factor may explain such features of imperial entrepreneurship as interest in charity and patronage. Philanthropy was symbolic in nature, serving as a kind of message – entrepreneurship lives with society in the same mood, shares its anxieties and concerns, is ready to help and support the needy, has the same values³.

A number of charity events can be explained by following the precepts of Christianity. The religious component of consciousness encouraged entrepreneurs to raise funds for the construction of churches and help the disadvantaged. However, these donations also had another motivation – to demonstrate loyalty to the state and even to the tsar personally.

A typical example is the celebration of the 900th anniversary of the baptism of Rus. During a visit to Kyiv in July 1888, the Chief Prosecutor of the Holy Synod, K. Pobedonostsev, laid the foundation stone for the construction of the church in honor of Alexander Nevsky. Of the 35 thousand rubles required for construction, 32 thousand were granted by Kyiv businessmen⁴.

Over time, personal success, the need for self-realization, gaining authority in society, and the achievement of a high social status were at the forefront. Along with the traditional motives of charity, a motive of self-affirmation appeared. Commercial success was often highlighted by the size of donations and the scale of philanthropic projects. It was noticed that entrepreneurs seemed to compete with each other.

The new social role of entrepreneurship required actions that would not only provoke a social resonance, but also receive unconditional recognition from society, and also corresponded to their own group interests.

Often, participation in charitable activities became one of the forms of satisfaction of pride and ambitions, and charity was stimulated by the desire to establish a high standard of living. This is evidenced by the rapid growth of philanthropists in the second half of the nineteenth century. Quantitative changes have resulted in qualitative ones: charitable foundations were founded (this provided a more stable and permanent charity activity, allowed to accumulate more money and kept anonymity as needed), it was

² Зарубина Н. Н. Этика служения и этика ответственности в культуре русского предпринимательства // *Общественные науки и современность*. – 2004. – № 1. – С. 96–105.

³ Там само.

⁴ Лінднер Р. Підприємці і місто в Україні, 1860–1914 рр. (Індустріалізація і соціальна комунікація на Півдні Російської імперії) / Райнер Лінднер [За ред. О. М. Доніка]. – Київ–Донецьк: ТОВ «ВПІ «ПРОМІНЬ», 2008. – С. 126.

fashionable to think about the fate of the neighbor, to realize the responsibility to the society⁵.

Over time, obviously, an element of corporatism was added to the motivation. Corporate solidarity could be a rather strong argument in the matter of charity. For example, the Ukrainian family Tereshchenko supported Jewish charity. Probably this was the result of their close relationship with the family of Brodsky entrepreneurs. In any case, such support was important in view of corporate ethics, and also testified to the understanding of the importance of charitable initiatives as such, regardless of the ethnic origin of their initiators.

The wills of entrepreneurs also illustrate this tendency, while expressing at the same time the feeling of involvement in the fate of the city. Unprecedented, but revealing is the will of Katerynoslav entrepreneur Semyon Klimov. He devised two courtyards with buildings to his native the city. It should have been built a refugee center at the first one and profits from the second should have been spent on this center⁶:

The authorities highly appreciated the efforts of philanthropists as an additional source of funding for state initiatives, stimulating the process with appropriate attributes. Especially this practice has spread since the end of the nineteenth century. As General Alexander Mosolov recalls about banquettes of the times of Nicholas II: «The Grand Duchess (Maria Pavlovna) knew her» craft «in perfection. She succeeded in collecting significant sums, drawing on the receptions of the rich people who, due to their birth and position in society, would not have access to its higher layers and willingly opened their wallets in order to thank Maria Pavlovna for hospitality ...»⁷. Undoubtedly, the attention of the members of the royal family was the best incentive for the entrepreneur and evidence of the fidelity of the chosen strategy.

Some entrepreneurs understood that the overall level of social partnership depends on their efforts. Therefore, the vector of philanthropy has shifted towards education, health care, cheap housing, food and medical care, that is, the development of social infrastructure. Problems of the urban lower classes required not just one-time donations, but daily work, involvement of administrators, staff of doctors, teachers, and relevant infrastructure.

An illustration of the trend is also the phrase of Israel Brodsky: "I give not because I want to give, but because I understand that it is necessary to give". This indicates an understanding of the depth of social contradictions and disadvantages, as well as the loneliness of entrepreneurs in their quest for solving these problems. Although another member of the Brodsky family, Lazar, was criticized by Jews for significant donations to non-Jewish projects, which later even did not mention his name (for example, on the anniversary of St. Volodymyr's University)⁸.

In coordinates of vertical communication of businessmen of cities with the state, any charity seemed an effective investment – and a good thing, and a manifestation of loyalty, and investment in the future.

⁵ Донік О. М. Благодійність в Україні (XIX – початок XX ст.) // Український історичний журнал. – 2005. – № 4. – С. 160–170.

⁶ Двуреченська О. С. Органи міського самоврядування Катеринослава: формування, структура та напрями діяльності (кінець XVIII – початок XX ст.). – Дніпропетровськ: НГУ, 2006. – С. 96.

⁷ Мосолов А. А. При дворе последнего Российского императора. Воспоминания начальника дворцовой канцелярии. 1900–1916. – М.: Центрполиграф, 2006. – С. 15.

⁸ Меїр Н. Євреї в Києві, 1859–1914. – К.: «Дух і Літера», 2016. – С. 267.

Charity, among other things, pursued the goal of legitimization of the entrepreneurship in the eyes of the majority of the population, which traditionally was viewed with suspicion of wealth.

However, using charity as an instrument for such a «white PR», entrepreneurs achieved some other results. During the First World War, it became clear that charity was perceived not as a goodwill, but a duty of an entrepreneur.

In this aspect, the letters of the Kiev merchant leader M. Chokolov, addressed to the owner of the brewery in Kiev's Demiyivka Karl Schulz, are revealing. K. Schultz and his family members, settled in Kiev at the turn of the 1860's and 70's, were owners of a brewery, as well as shares of several Kyiv enterprises. They suffered in 1915 from anti-German laws and were expelled from the city. Their property was transferred to the temporary administration. However, this did not prevent the various organizations, including the state, from constantly emphasizing the duty to provide free drinks and gifts for various charitable needs.

But, on the whole, charity was an instrument for solving many issues for entrepreneurship: self-representation, demonstrations of loyalty, creation of a positive image, gaining authority and status, optimization and reduction of injuries at work, etc.

Understanding their own role

Symptomatic and demonstrative is the text of a declaration from the organizations of industry and trade, finance and agriculture, which on April 25, 1918 M. von Dietmar, as chairman of the Council of Congresses of Mining Industry South of Russia, handed over to the head of the hetman Skoropadsky government V. Golubovich.

The declaration in this case is the quintessence of the views of business on its place in the state, economic and social functions. So what was declared as desirable? The participation of entrepreneurs in making decisions that directly concern the business should be obligatory.

Entrepreneurs expressed their opposition to labor control, attempts at socialization and nationalization of enterprises. The tasks of professional workers organizations were to be limited to professional and cultural-educational goals. There were categorically denied the intention to legislatively regulate the working day or wages, which was motivated by a possible reduction in labor productivity. Representatives of the business community required the legislative review of the provisions of the arbitration and industrial courts, labor exchanges, which should be organized on a parity basis. The relation to the regulation of the length of work is illustrated by the following quote: «In the area of the legal limitation of the working day, one should be guided by the experience of the West, in which the limitation of working time was made extremely slowly and with great degree of graduality. Strongly, all attempts at legislative rationing of wages in the current state of industry should be eliminated. This in our reality would inevitably lead to a reduction in the productivity of labor»⁹.

This declaration testified to the uncompromisingness, the readiness to make only symbolic give-ups. The declaration of M. von Ditmar testifies to the low level of social responsibility, even in 1918.

⁹ Шаццлло М. К. Российская буржуазия в период Гражданской войны и первые годы эмиграции. 1917 – начало 1920-х годов. – М.: Наука, 2008. – С. 180.

The good news is that a social group of entrepreneurs was formed - and this was a testimony to modernity. Another news is that this group was not and could not be consolidated. And it could not use one strategy of self-representation and could not have one Image of the self. Accordingly, somehow perceive themselves in the surrounding society in a unique way this group could hardly. There were certain strategies that allowed us to talk about one or another vision of ourselves. Here are the elements of these strategies:

1. Charity.
2. Participation in municipal self-government.
3. The desire to take advantage of the existing system of privileges.
4. Awareness of yourself with the new «salt of the earth» – contempt sometimes to the law, the demands of the authorities.
5. Understanding their power and along with responsibility, the feel of being in charge.
6. The desire to defend their own interests.
7. Dominance of motives of one-time profit on the motives of long-term investments.
8. The prevalence of motives of self-affirmation (both on the personal level and on the group).

The end of the nineteenth and early twentieth centuries became the time of entrepreneurs' search for their identity, the crisis of ethics of service (the trait of the entrepreneur of a traditional society) and the emergence of ethics of responsibility, characteristic of the industrial society. The idea of selfishness and even criminality of entrepreneurship spread faster than entrepreneurs had time to formulate an alternative and represent it. Entrepreneurs themselves tried to prove their need for the society – on one hand. And charity was the strategy for such proof. On the other hand, they saw themselves as a new masters of life.

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