

Attitude to Entrepreneurship in Russia: Three-Dimensional Institutional Approach

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Abstract. This paper aims to analyze the impediments to the development of entrepreneurship in Russia from the institutional perspective. To describe the institutional environment we use a concept of a three-dimensional institutional profile which classifies the institutions into three types: regulatory, cognitive and normative. These three dimensions imply three bases of legitimacy: entrepreneurship can be legitimized if it conforms to legal requirements (regulatory dimension), if it is seen as legitimate through a common frame of reference (cognitive dimension) and if it conforms to the existent moral base (normative dimension). We argue that one of the impediments to entrepreneurship development in Russia is that it is not seen as legitimate enough by the society at large. We explore the foundations for this through the regulatory dimension (the dynamic of the legal legitimation of entrepreneurial activity from the Soviet epoch to the present times), in the cognitive dimension (the stereotype of entrepreneur and its origins), and in the normative dimension (basic assumptions which relate to the fundamental moral dimensions of entrepreneurial activity: assumptions about money, wealth, and work).

Key words: Russia; entrepreneurship; institutional environment

1. INTRODUCTION

At the end of XX century Russia faced a new reality which brought the new concepts, new words and new meanings. “Market economy”, “free trade”, “competition”, “entrepreneurship” and “entrepreneur” – these new terms were understood by many very vaguely, and the perception of their meaning was largely shaped in the preceding historical period. Russia was not the only country that faced this situation, and the variations across the success levels of economic transition in the ex-communist European countries show that the transition to market economy is highly dependent on the historical and social context. In this paper, we try to look at the context where one of the key actors of the market system – the entrepreneur – exists in Russia. The market economy in general is grounded in the set of fundamental beliefs about the benefits of free market and competition, but the perceived meanings of these words may be different and the market actors may behave according to their own understanding. Thus different elements of market economy need to be considered not only from the economic perspective, but also through the lens of deep-lying beliefs about what is good and what is bad. In this respect, the entrepreneurial activity should be also placed in this context if we attempt to explore its drivers and impediments.

In Russia entrepreneurial activity is lower as compared to countries with the same level of economic development. The Global Entrepreneurship Monitor shows that in Russia in 2014

(latest available data) entrepreneurial activity measured as a share of population at ages 18-64 who are early-stage or established entrepreneurs was 8,6%, while for instance in Argentina it was 25,5%, in Brazil – 34,3%, in Slovakia – 18,7%, in Poland – 16,5% [1]. Since entrepreneurial activity is one of the contributors to economic performance, the issue of what aids or impedes entrepreneurship has received much attention. We approach this issue from the institutional perspective [2] which implies that the level of entrepreneurial activity in a country is influenced by its institutional environment. North [2] defines institutions as formal and informal rules of the game in a society; they act as constraints and guidelines for human behavior, and their main role is to reduce uncertainty in human interaction. North's definition of institutions is a very broad one, and consequently the research on entrepreneurship and institutions adopts multiple and varying views of what institutions are. One stream of research focuses on formal institutions and economic environment, such as secure property rights [3]. Another stream of research focuses on culture [4-6] and is largely based on the models for cross-cultural comparison such as developed by Hofstede [7] and Inglehart [8]. However, the complexity of the issue calls for the broader framework for its analysis. Therefore in this paper we will employ a concept of a three-dimensional institutional profile [9], which follows Scott's concept of institutional pillars [10] and allows for analyzing country institutional environment in the context of entrepreneurship [11]. The concept of a three-dimensional institutional profile classifies the institutions into three types: regulatory (laws), cognitive (cognitive categories) and normative (values, beliefs and other culture-related notions), and therefore makes it possible to encompass a variety of institutions, including both formal and informal.

The existent institutional research on entrepreneurship mostly focuses on how institutions influence entrepreneurial activity [12]. However, the focus of the present study is not on how institutions influence entrepreneurial activity per se, but the perception of entrepreneur and entrepreneurship in the society. Following Etzioni's concept of legitimation of entrepreneurship [13], we argue that one of the impediments to entrepreneurship development in Russia is that it is not seen as legitimate enough by the society at large. The notion that negative attitude to entrepreneurship affects its development in Russia is voiced largely by business experts [14]. However, this issue didn't receive sufficient coverage in the academic research. This paper aims to address this gap.

2. THREE-DIMENSIONAL INSTITUTIONAL PROFILE AS THE LEGITIMATION FRAMEWORK

Etzioni [13] argues that the legitimacy of entrepreneurship in a society is a key factor that determines the level of entrepreneurship: "The extent to which entrepreneurship is legitimate, the demand for it is higher; the supply of entrepreneurship is higher; and more resources are allocated to the entrepreneurial function". Legitimacy is defined as a "generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" [15]. Accordingly, legitimation occurs through placing a phenomena within a framework through which it is viewed as right and proper [16].

The three dimensions of the institutional profile imply three bases of legitimacy [10,17]. Entrepreneurship can be legitimized if it conforms to legal requirements (regulatory dimension), if it is seen as legitimate through a common frame of reference (cognitive dimension) and if it conforms to the existent moral base (normative dimension). In order to explore these sources of

legitimation, it is necessary to specify the contents of each dimension of the institutional profile. Since the set of regulatory, cognitive and normative institutions within the institutional profile is issue-based [9], this implies that the contents of each dimension are defined by researchers according to the specifics of their study, and such is indeed the case [11,18-21]. Adapting this framework to the aims of our research, we will specify the contents of each dimension as follows.

The **regulatory** component includes the “existing laws and rules in a particular national environment that promote certain types of behaviors and restrict others” [9]. As the detailed revision of the Russian legislation is not the aim of this paper, within this dimension we will focus on the two specific points: the dynamics of the legal legitimation of entrepreneurial activity from the Soviet epoch to the present times, and the policy statements made by the authorities regarding the current attitude to business legitimation.

The **cognitive** component in the context of entrepreneurship was defined as “the widely shared social knowledge and cognitive categories (for instance, schemata, stereotypes) used by the people in a given country that influence the way a particular phenomenon is categorized and interpreted” [9]. Following this broad definition, we will focus specifically on the stereotypes. Stereotypes are psychological representations of the characteristics of people that belong to particular groups which serve as aids to cognition by simplifying the person perception process [22]. Consequently, in our study of this component of the institutional environment we will focus on the stereotype of entrepreneur defined as a set of widely-shared beliefs about his or her personal attributes and qualities.

The **normative** dimension of the institutional environment reflects the values, beliefs, norms, and assumptions about human nature and human behavior held by the individuals in a given country [9]. The research on connection between values and various dimensions of entrepreneurial phenomena is extensive [4-6] and includes Russian culture as well [23,24]. As mentioned above, this stream of research is mostly based on the models for cross-cultural comparison such as developed by Hofstede [7], Inglehart [8] and Schwartz [25]. The application of these frameworks to the Russian culture was researched by many authors [26-30], so we do not see the need to further explore this perspective. Instead, we will build our discussion of the normative dimension around the concept of basic assumptions. Trompenaars and Hampden-Turner [31] and Schein [32] place the basic assumptions at the deepest layer of culture. Schein [32] argues that when value leads to a certain behavior which solves the problem, it is transformed into “underlying assumption about how things really are”. These are assumptions about relationship to environment, nature of reality, time and space, nature of human nature, nature of human activity, and nature of human relationships – a classification very similar to the value orientations of Kluckhohn and Strodtbeck [33]. Trompenaars and Hampden-Turner [31] describe basic assumption as “absolute presupposition about life”, “what is taken for granted, unquestioned reality”. There is no clear boundary in the existing literature between values and basic assumptions. However, since the domain of values rests mostly with cross-cultural research on entrepreneurship (etic approach), for the study of the meanings implicit to the Russian culture we will employ the emic approach [34] and use the term “basic assumption” to avoid conceptual confusion.

In view of our focus on entrepreneurship, we will discuss the assumptions which relate to the fundamental moral dimensions of entrepreneurial activity: assumptions about money and wealth, and about work as a means to acquire it. The rationale behind this set of assumptions lies in the notion of entrepreneurship and business. In essence, entrepreneurial behavior is aimed at profit generation [35] – the same can be said about business behavior in general. Therefore the concept of money becomes central to the discussion of legitimation of entrepreneurship: if money-seeking

is encouraged in the specific culture, we may expect that the activity aimed at acquisition of money will be legitimized. The important point here is that money is not just the medium of exchange – it is a symbol imbued with meaning [36]; Money and wealth signify deepseated and complex values [37]. The idea that fundamental assumptions about the morality of striving for profit and wealth accumulation, as well as work ethic are connected to the entrepreneurial activity can be traced back to Weber [4]. Therefore the assumptions about money, wealth and work will be the focal point of our discussion of the normative dimension of the legitimation of entrepreneurship.

Finally, we need to add a caveat that the three institutional dimensions of legitimation are in interplay. The interaction of normative and regulatory components was demonstrated by Edelman [38], of cognitive and normative dimensions – by Aldrich & Fiol [39]. Cognitive dimension may interact with the regulatory one – e.g. the way of treating entrepreneurs as criminals can lead to the creation of the cognitive scheme that implies that entrepreneurs are indeed criminals. Although for the purposes of the present study we will draw boundaries between the different components of the institutional profile, it is nevertheless important to keep in mind that they do not exist separately from each other.

3. ATTITUDE TO ENTREPRENEURSHIP IN THE SOCIETY

Attitudes to entrepreneurship in a society influence the level of entrepreneurial activity, determine peoples' intentions to become entrepreneurs and influence the business climate. In this section we will explore the specifics of the general attitude to entrepreneurship in Russia. As a method of research we use comparative analysis of sociological data revealing respondents' attitudes to entrepreneurship activity and entrepreneurs themselves, respondents' opinions about main characteristics of entrepreneurs and their role in economic and social development. We draw on the data from the surveys conducted by the leading Russian opinion research companies such as Levada-Center and FOM. Samples of these surveys are representative for the Russian adult population as a whole (at age of 18 and older). We also use data of international surveys on entrepreneurship, such as Global Entrepreneurship Monitor and Eurobarometer.

In the Soviet era entrepreneurial activity was a criminal offence – private property and private business became legitimate only in the late 1980s, and due to the rapid transition from command to market economy the attitude of Russians towards entrepreneurs and entrepreneurial activity is now contradictory. FOM surveys conducted in December, 2001 (10 years after the dissolution of USSR) and in March 2013, show that the majority of respondents reported having positive attitude towards entrepreneurs (58% in 2001 and 68% in 2013), and the recent data indicates that 42% of population agrees that entrepreneurship is beneficial for the country [40]. Eurobarometer surveys [41] show that a very similar share of respondents in Russia, European Union and the USA agree that entrepreneurs bring economic benefits through creating jobs (87% of respondents in EU27, 88% in the USA and 89% in Russia).

If the public surveys show that the attitude to entrepreneurship is quite positive – much less positive than in the USA, but still comparable to EU27 – why the concerns about the negative attitude to entrepreneurship are voiced by the business itself [14]? To answer this question we need to look deeper into the subject and consider not only on the general attitude to entrepreneurship and to its outcomes, but the entrepreneurial behavior.

In the FOM 2001 survey, when asked an open question about “What do entrepreneurs do? What is their job about?”, the significant part of respondents characterized entrepreneurship

largely as a selfish profit-seeking activity. Among the respondents 26% think that entrepreneurs make money: they “grab money”, “coin money”, “enrich themselves”. Another 23% of the respondents point out that entrepreneurs speculate, repurchase goods: “buy cheaper, sell at higher price”, “in Soviet times it was called “speculation”, “rip-off the consumers”. At the same time positive evaluation of entrepreneurial activity is less common. Only 6% of respondents point out that entrepreneurs “launch manufacturing”, 5% – that entrepreneurs “develop the economy”, 2% – “work hard” and 2% – “create jobs” [42].

The Eurobarometer survey results [41] also indicate that when it comes to entrepreneurial behavior, the inclination to ascribe negative properties to entrepreneurs in Russia becomes more apparent. The share of respondents agreeing that “entrepreneurs take advantage of other people’s work” in Russia exceeds the EU27 and the USA levels and amounts to 76%, and the same applies to the statement “entrepreneurs think only about their own pockets”.

Levada-Center has conducted several surveys in 1991-2013 when the respondents were asked to describe the qualities of the Russian and Western entrepreneurs [43], and these indeed support the concerns about the negative image of an entrepreneur: according to the survey results, the respondents see the primary quality of the Russian entrepreneur as the “itch for gains”, or profit-seeking (with negative connotations), followed by “inclination for deception and fraud”, “corner-cutting” and “unwillingness to work honestly”. Moreover, when compared to the qualities attributed to the Western entrepreneur, the negative image of the Russian entrepreneur becomes even more pronounced: while a Western entrepreneur is characterized by the business acumen (51%), rationality (44%) and competence (39%), the Russian entrepreneur looks for gains mostly of the illicit quality (53%) [43].

Thus, even though the public surveys show the general attitude to entrepreneurship in the Russian society being rather positive than negative, the image of entrepreneurs, the motives of their behavior and their personal qualities are characterized in a primarily negative way, which supports the claim that entrepreneurship is not seen as a legitimate activity. In the following section we will discuss the sources of legitimizing entrepreneurship through the perspective of a three-dimensional institutional profile.

4. THREE-DIMENSIONAL APPROACH TO LEGITIMIZATION OF ENTREPRENEURSHIP IN RUSSIA

As discussed above, the three dimensions, or pillars, of the institutional profile imply three bases of legitimacy. Entrepreneurship is legitimized through laws and regulations (regulatory dimension), through a common frame of reference (cognitive dimension) and through the existent moral base (normative dimension). We will start with the regulatory dimension and focus on the development of the legal legitimation of entrepreneurial activity from the Soviet epoch to the present times, and on the policy statements made by the authorities regarding the current attitude to business legitimation.

4.1. The regulatory dimension

In the Soviet times entrepreneurship was officially qualified as a criminal offence. The Criminal code of Russian Soviet Federal Socialist Republic of 1960 imposed the punishment for “private entrepreneurial activity” of up to 5 years of imprisonment (article 153). Profiteering (article 154) was punished with imprisonment for up to 7 years. Currency transactions implied

punishment ranging from imprisonment for up to 15 years to death penalty (by the special law) – actually, that was an equivalent of punishment for aggravated homicide (article 102).

The legal emergence of entrepreneurs became possible only after 1986, when self-employment and creation of joint ventures with foreign capital were allowed. After that it became possible to establish cooperative organizations (“cooperatives”) – prototypes of private companies able to rent their premises from state enterprises. At the same time, the prosecution of “underground entrepreneurs” was strengthened. However, those entrepreneurs who became rich overnight were distrusted by the society due to the dishonest nature of these earnings. Partly, this was also facilitated by government policies [44]. The sources of immediate enrichment were often connected with certain regulations, providing exceptional opportunities to a small number of admitted individuals. The examples are provision of export licenses, import subsidies, preferential industrial loans and restrictions on domestic prices in some sectors.

However, despite the formal legitimization of entrepreneurship in the legal sense, an ambiguous attitude of public authorities to business and, in particular, to entrepreneurs, was still publicly shown. Even in 1990s, at the time of large-scale liberalization and promotion of entrepreneurship (at least formal), the state acted as a “grabbing hand” [45]. An entrepreneur in Russia in 1990s de-facto was treated by government officials as an object for contrived arraignments and extortions, and not as an object for care and support. As a result, many entrepreneurs could not make their business in a law-abiding way, and had to “go into the shadows” [46].

Since 2000 a number of initiatives were implemented to improve the image of an entrepreneur in Russia and enhance the government support of business (at least in terms of lowering the administrative barriers). However, despite these initiatives, the laws that regulate business activity currently appear to inhibit it to a certain extent, primarily because of their inconsistency: “Even when laws and regulations do not obstruct firms’ entry and exit, application and enforcement of rules often remain inconsistent” [47]. Thus the analysis of the regulatory dimension of the institutional profile shows that even though the entrepreneurship is officially legalized, the issue with the regulatory legitimization is an environment which makes it difficult for entrepreneurs to follow the existent laws, thus often forcing them to become illegitimate by default.

4.2. The cognitive dimension

In this study the cognitive dimension of the institutional profile deals with the stereotype of an entrepreneur – a set of widely-shared beliefs about his or her personal attributes and qualities. The beliefs about the qualities of an entrepreneur and the negative stereotype of an entrepreneur have already been discussed above. In the following section we will look at how this stereotype developed and how it was transferred to the population. Specifically, two aspects of stereotype development should be considered: the Soviet ideological attack at the entrepreneurs, and the stereotypes which developed in the transition period.

4.2.1. Entrepreneurship and the Soviet ideology

Stereotypes are formed largely through education. In the Soviet school education the ideological tasks dominated over the educational ones [48]. A special role in the spread of ideology in the Soviet time was played by primary and secondary schools. Elements of ideology were present in many academic disciplines, but the main role in this process was given to history and literature.

The history textbooks in the Soviet Union were the mirror of public policy [49]. The idea that history textbooks should play the central role in the ideological construction was formulated in

the USSR in 1930. In March 1934, the current state of history teaching in schools has been the subject of two sessions of the Politburo, and Stalin was personally involved in the editing of general history textbook [50]. One of the reviews on a history textbook, written in 1948, was rather typical and stated that “the idea of irreconcilable class struggle of the proletariat against all its enemies should permeate all textbook exposition. As a result of modern history studies, Soviet schoolchildren should feel the hatred of capitalism and its’ political leaders, should feel contempt and disgust for the social-democratic lackeys of capitalism” [51]. Later, in the post-Stalin times, the situation has changed only slightly – in the Resolution of the Central Committee of the CPSU and the USSR Council of Ministers of 1959 it was stated that the course of history in the secondary school should form the belief in the inevitable collapse of capitalism and the victory of communism.

In line with this, one of the central places of the Soviet history textbooks was devoted to a crisis of capitalism, and futility of this way of development was strongly substantiated. A capitalist was portrayed almost exclusively as an immoral oppressor of the working people. In line with this, it was stated that only centralized, authoritarian state is necessary for USSR. Noteworthy, the key findings on these topics in new history textbooks of the post-Soviet era were largely preserved, although the grounds have changed [49].

Teaching of literature also occupied a significant place in Soviet schools. This was largely due to the fact that Russian literature was a synthetic phenomenon, exercising at one time the functions of philosophy, humanities, the social and political platform [52]. Accordingly, the image of an entrepreneur as shown in the literature, especially in the classical literature of the XIX century, has produced a number of stereotypes that are deeply embedded in the consciousness of many generations. Moreover, the educational curricula focused only those works from the variety of classical literature that supported existence of such stereotypes. As a result, the idea of entrepreneurship as a free creativity was undermined. Description of business was focused not on the business itself, but only on money acquisition, while business activities were associated with a number of negative characteristics: moral decay, deceit, exploitation of other people, even crime [53]. The origins of entrepreneurial success, vitality and energy of businessmen were seen in the illegibility in achieving the goals – people moved by a passionate desire to create value often found themselves unable to resist the temptation to “accelerate” it through fraud, corruption, forgery [54]. Referring to the surveys quoted above [43] this set of characteristics remarkably coincides with the personal qualities attributed to entrepreneurs in the post-soviet times.

4.2.2. The image of entrepreneur in transition period

Even though in Soviet times entrepreneurship was a criminal offence, some individuals were still involved in these activities, and some of them were convicted and sentenced to prison. Thus in the post-Soviet era it turned out that business experience and spirit of entrepreneurship can be often attributed to ex-prisoners. While being in prison, they had time to develop connections in the criminal world, and thus, later on, the newborn entrepreneurs were surrounded by former criminals. In a situation when property protection and law enforcement were extremely poor, the private businesses had to resolve problems with the help of the so-called "roof" (“krysha”) that provided protection of their lives and interests [55]. As a result, the public perception of business, even after it was legitimized by the authorities, was still associated with illegal and criminally bound activities.

The other category of new-born businessmen which emerged in the transition period was former Communist party officials, managers of public enterprises and government officials. Their

credibility among ordinary people was rather low at all times, but after legalization of business it turned out that what had previously been considered as public property suddenly became someone's undeserved, but legal private property, which created a strong feeling of unfairness in the general public. This was also stipulated by numerous cases of administration officials legally obtaining a privileged position during the privatization of enterprises. The large-scale fund withdrawals from these enterprises (for the benefit of privatizers) were held directly in front of workers who were paid with significant delay [56].

The privatization process largely affected the public attitude to entrepreneurship. After privatization the majority of Russian citizens did not get any income-generating property, in contrast to propaganda of privatization. Moreover, they felt themselves robbed. This became especially evident after the “shares for loans” auctions used for privatization of major state enterprises that invited questions among the public – why did somebody become the owner of resources and enterprises that were built by thousands of people and worked for decades almost for free [57]. And even if the new owners paid something for the assets, there still was the question about origins of the money. The media reports about dollar billionaires further led to negative and even hateful attitude to them. “Itching for gains” as an attribute of an entrepreneur may be largely traced back to the privatization as well as to the Soviet era. Thus the complicated history and heritage of the transition period still influences the perceptions of entrepreneurship, and combined with the issues in the regulatory dimension contributes to the persistence of the negative general stereotype of the entrepreneur in the society.

4.3. The normative dimension

As mentioned above, the normative dimension of the institutional environment deals with basic assumptions relate to the fundamental moral dimensions of entrepreneurial activity: assumptions about money and wealth, and about work as a means to acquire it.

In essence, business behavior is aimed at revenue generation through seeking opportunities and rational allocation and utilization of resources. This contrasts sharply with the superiority of spiritual over material inherent in the Russian culture. This opposition is well illustrated in Chekhov's “The Cherry Orchard”, where Lopakhin, whose character doesn't display any negative traits, nevertheless invites antipathy by his triumph after the acquisition of the cherry garden. His behavior, which makes perfect sense from the business perspective, doesn't invite any compassion as opposed to the behavior and attitudes of the impractical and passive landowners living in the past. Similar opposition can be found in Dostoevsky's protagonist's speculation on “which is the worst of the two - Russian ineptitude or the German method of growing rich through honest toil”, followed by stating his preference for the former: “I would rather live a wandering life in tents, ... than bow the knee to a German idol” [58]. Why does “ineptitude” emerge as a more worthy option than “honest toil”? We argue that the roots of this can be found in the specific attitude to money, wealth and work shaped partly by religion and work ethic.

4.3.1. Assumptions about money and wealth

The concept of money and wealth is one of the focal points in the discussion of legitimation of entrepreneurship: if money-seeking is encouraged in the specific culture, we may expect that the activity aimed at acquisition of money will be legitimized. In Russia, the specific attitude to money and wealth has developed under the influence of the religion and the general course of economic development. These will be considered further on.

The Orthodox religion promotes the ideals of simplification and humility. The “mundane way of escape and pilgrimage”, “high estimate of begging and poverty” was preached already in ancient religious poetry [52,59]. Accordingly, the entrepreneurs saw their activities not only and not so much directed towards accumulation of wealth, but rather as a kind of a mission entrusted by God or fate. A distinctive feature of Orthodoxy is that the owner is not the master of his estates, but is the manager of the God’s belongings that he was given for temporary use during his life [60]. It was typically said that the wealth was granted by God for use, and God will require a report on it, which contributed to the development of philanthropy that was regarded as the fulfillment of a duty [61,60]: by 1900, in Moscow there were more donations produced than in Paris, Berlin and Vienna combined [60]. Thus money and wealth were not considered as fundamental values, and were treated as perishable and incidental, subject to a high risk of loss. This may have continued into the modern period and manifest itself in the desire to immediately make a handsome fortune [62]. Insecurity, lack of guarantees of the irreversibility of reforms, instability in the economy lead to the spread of “a one-time” business psychology, that has nothing to do with the care for reputation or business ethics.

4.3.2. Assumptions about work

Assumptions about work – its meaning and its purpose – are as central to the discussion of entrepreneurship as are the assumptions about money. The Soviet period undermined the meaning of work and the incentives for productive work. Higher salaries were not necessarily aligned with productivity growth, the rates were normalized, and the employees knew that they get paid primarily for the time spent for work, and not for the result. Moreover, motivation was restricted by the limited availability of career opportunities. As noted in the popular saying, “They pretend that they pay us and we pretend that we work” [44]. However, even in the pre-Soviet period work had specific connotations that shaped the assumptions about work and its meaning.

The etymology of the word “work” (“trud”) in Russian implies that the work is seen as a necessary burden or necessary evil rather than the source of joy or fulfillment: work is “everything that requires effort, diligence and care, any tension of bodily or mental powers, all that makes tired” [63]. Religion and the work ethic it implies also have the fundamental influence on the assumptions about the meaning of work and its purpose. In pre-revolutionary period the work ethic that was dominant among peasants and industrial workers was minimalist or traditional [64], focused on meeting the modest, almost minimal needs for food, clothing, shelter [65]. Minimalist consumption standards allow individuals not to worry about the accumulation of wealth [66]. This type of work ethic existed in Europe as well, but with the start of industrialization it began to transform – the process which Weber associated with the emergence of Protestantism [67]. While the Protestant ethic, according to Weber, suggests that the criteria chosen for salvation is the welfare, and the path to welfare is multiplication of wealth through work [67], the Orthodox church suggests that economic activity has nothing to do with the salvation of souls. In Orthodoxy, not any work is useful, but only work that contributes to the improvement of the soul. Orthodox religion doesn’t denounce work per se – on the contrary, work is seen as a natural mode of life [68]. However, the ultimate goal of any activity, including economic activity, is spiritual improvement, and material well-being is not connected with the prospects of salvation. Moreover, the extent of this material well-being is set at the level which provides for meeting the basic needs, and anything exceeding this level is not seen as moral.

The situation has partly changed in the Soviet era. Marxist ideology stated that work “transformed apes into men”, and the love for work was a measure of moral maturity. Working

was a primary activity, and those who were not engaged in public production without good reason were considered as “parasites” and were subject to criminal prosecution [66]. Due to this emphasis on working Soviet model is sometimes compared with Protestantism [69] – however, the important difference was that in terms of the Soviet ideology the purpose of work was not to obtain individual benefits, but contribute to meeting the goals of the society, as stipulated in 1977 Constitution of the USSR.

The assumptions about work and its meaning which constitute the normative dimension of the institutional profile allow an observation that the Soviet experiment didn't develop in a vacuum, but to some extent built on the existent normative environment. It can be seen that some aspects of these assumptions are deep-lying and even based on etymology. Recent research suggests that work values have been changing since the start of the transition period, and the changes happen very quickly [70] – specifically, money comes to be seen as a primary reason for work, which is typical for the emerging economies [71]. However, research also suggests that the general attitude to entrepreneurship is defined primarily by the morality of aspiration for wealth [72], which supports the concept of moral legitimation as essential to legitimation of entrepreneurship [13].

5. CONCLUSION

The issue of legitimacy of entrepreneurship in Russia dates back many centuries and cannot be attributed only to the Soviet period. However, the Soviet times delivered probably the strongest blow to the legitimation of entrepreneurship. Entrepreneurship was a criminal offense, and the system of education transferred a negative image of entrepreneur to the population. Thus currently one of the problems that have to be dealt with is the generational gap in assessing entrepreneurial activity and its role in the economy. While the positive attitude towards entrepreneurs is typical for the young and educated population groups, the older generation sees it mainly through the negative lens [42]. However, the younger generation is placed in the complicated institutional environment which often provides conflicting messages, especially its regulative component. What is needed now is the change regarding all the three dimensions of the institutional profile. Clear messages about the legitimacy of entrepreneurship should be sent by the state and the government, and the rules of the game should be set and observed (regulatory dimension). The positive stereotypes of entrepreneurs should be developed and transmitted (cognitive dimension). The normative dimension, which deals with the basic assumptions and with the deepest layers of culture, is the most difficult to change, however it should also be addressed. The globalizing world and the contact with different cultures that it brings may gradually influence the change of these basic assumptions. In any case, what is required for the further development of entrepreneurship is the consistent policy and the consistent effort that recognizes the interconnection between the different dimensions of the institutional environment and their specifics. Entrepreneurship is one of the key drivers of the economic growth, and the current level of entrepreneurial activity in Russia undermines its potential for diversifying the economy, thus making it susceptible to the fluctuations in oil and gas prices that can be subject to the market manipulations. Development of the institutional environment with an aim to support and promote entrepreneurship is thus becoming a key to opening the unlimited dimensions of economic growth [73].

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