Recent Trends in the Business History of Russia: The Blurry Borders of the Discipline

The article analyzes recent trends in the business history of Russia and its interrelations with mainstream business history. The authors explore the extent to which the business history of Russia can contribute to the development of the discipline. To do so, they use an “alternative business history” framework. They argue that Russian business history is a disciplinary hybrid. As such, it can reasonably be considered as an interesting testing ground for business history, which seems to be searching for a new identity among history, economics, and organizational and managerial studies. In addition, Russian business history still has considerable potential for providing new voices and stories and for contributing to international debates and a more nuanced understanding of the relationship between enterprise, state, and society.

**Keywords:** business history of Russia, alternative business history, emerging markets, socialist enterprise, state capitalism

Russia has long occupied a rather marginal place in business history scholarship: its turbulent twentieth-century history, including some sixty years of an administrative command economy and the chaotic transformation of the 1990s, has led scholars to deal with it as a case with few parallels. In the second half of the 1990s, a few scholars

The authors would especially like to thank Franco Amatori, Leonid Borodkin, Luciano Segreto, Alexey Popov, Irina Nesterova, and two anonymous referees for their constructive criticism of earlier drafts of this article. We also want to thank the editors of this journal for their helpful comments. A grateful thought goes to Aksana Yarashynskaya, who contributed to an earlier version of this paper and did bibliographic research. Valentina Fava acknowledges financial support from the Czech Academy of Sciences, Purkyne Fellowship. Please note: this article was written prior to the Russian invasion of Ukraine in February 2022 and reflects the geopolitical and intellectual atmosphere of that time.

*Business History Review* 96 (Summer 2022): 325–351. doi:10.1017/S0007680521000386 © 2022 The President and Fellows of Harvard College. ISSN 0007-6805; 2044-768X (Web). This is an Open Access article, distributed under the terms of the Creative Commons Attribution licence (https://creativecommons.org/licenses/by/4.0/), which permits unrestricted re-use, distribution, and reproduction in any medium, provided the original work is properly cited.

https://doi.org/10.1017/S0007680521000386 Published online by Cambridge University Press
suggested incorporating it into a broader comparative framework. In 1995, Thomas Owen offered a comprehensive analysis of Russian corporate capitalism, focusing on the business history audience and including the first post-Soviet years.1 Shortly afterward, Alfred Chandler, Franco Amatori, and Takashi Hikino included a chapter on Russia and the Soviet Union in the volume *Big Business and the Wealth of Nations*, highlighting the contribution that evidence from Russia could make to the study of the evolution of big business.2 Nevertheless, many other recent research surveys in the discipline have excluded Russia, and Russian scholars are still poorly integrated into the international business history community. It does not help matters that, except for some brief up-to-date introductory works, there are no comprehensive reviews of works on the business history of Russia, either in English or in Russian. This article provides an overview of recent trends in the field.3 It seeks to show how the current debate in Russian business history not only follows the major trends in international business history but also contributes to the current discussions on its methodology.4

In this article, we suggest that Russian business history is a disciplinary hybrid rather than a “field in its infancy,” as Martin Kragh defined it.5 As such, it may usefully be analyzed as a testing ground for business history, which seems to be searching for a new identity among history, economics, and organizational and managerial studies.6 The peculiarities

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1 Thomas C. Owen, *Russian Corporate Capitalism from Peter the Great to Perestroika* (Oxford, 1995).
4 By “international business history” we mean scholarship presented in the leading international journals in the field, including *Business History*, *Business History Review*, and *Enterprise & Society*, and in specialized book series, like *Comparative Perspectives in Business History* (Cambridge University Press). By “Russian business history” we mean the Russian-language literature, while “the business history of Russia” refers to all publications related to the topic no matter where it is researched or what language it is written in.
of Russian capitalist development and the institutionalization of social science in contemporary Russia have forced scholars to adopt an interdisciplinary approach and a certain heterodoxy of methods when researching the history of Russian business. This has led to a huge variety of questions and a certain disciplinary fragmentation.

This article is in three parts. The first briefly describes the institutional development of the business history of Russia as an academic discipline; we underline the insularity and fragmentation that led to difficulties in its influencing international debates. In the second part, we present the trending topics based on analysis of the historiography of Russian/Soviet enterprise and entrepreneurship for the last twenty years. In the third part, we look at the business history of Russia through the lens of so-called alternative business history for emerging markets.7

Institutional Development of the Business History of Russia

The business history of Russia has been developing within several academic disciplines but never as a discipline with clear borders.8 No specialized department or research center focusing on this area has existed either in Russia or abroad.9 Nevertheless, enterprise and entrepreneurship are a rather popular research area among historians of Russia, who mainly work under the umbrella of economic history organizations, such as the Center for Economic History at Moscow State University, the Russian Association of Economic History Research (Russian Academy of Science), and a few other regional centers of economic history in Saint Petersburg, Chelyabinsk, Saransk, and Barnaul.

Also, groups of scholars or individual researchers have explored the business history of Russia within departments of Russian history and Russian studies. For example, Boris Anan’ich organized a research group at Saint Petersburg State University studying Russian business (mostly financial) history. Several business historians work at research centers outside of Russia, including the Davis Center for Russian and Eurasian Studies at Harvard University, the Institute for Russian and Eurasian Studies at Uppsala University, the Leibniz Institute for East

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8 Fava and Yarashynskaya, “Blurring Borders.”
9 The Eastern European Economic History Initiative (WEast), established in 2016, seeks to promote research on the economic history of eastern, central, and southeastern Europe and has recently shown increased interest in the history of business organization in the region. See “Mission,” WEast website, accessed 13 May 2022, http://weast.info/mission.
and Southeast European Studies in Regensburg, the Pan-European Institute at the University of Turku, and the Aleksanteri Institute of the University of Helsinki.

There are no Russian national professional associations and no regular academic forums on the business history of Russia. In the last few years, some international research centers for Russian and eastern European studies have organized conferences on topics related to the business history of Russia, but these initiatives were sporadic, hardly comprising a regular discussion forum.¹⁰

Nor are there specialized journals on the business history of Russia. Nevertheless, in the last two decades, three economic history journals have regularly published articles on the history of enterprise and entrepreneurship in Russia. Ekonomicheskaia istoriia: Ezhegodnik (Economic History Yearbook), published since 1999 by the Center for Economic History at Lomonosov Moscow State University and the Institute of History of the Russian Academy of Science, is the most business history friendly: roughly 40 percent of the articles it has published are about the history of enterprise, entrepreneurship, and other topics that may well be considered business history. This percentage decreases to roughly 15 percent if we consider the other two Russian economic history journals: Rossiiskii ekonomicheskii zhurnal (Russian journal of economic history), published since 2005 by Ogarev Mordovia State University, and Istoriko-ekonomicheskie issledovaniia (History and economics research), published by Baikal State University in Irkutsk.

Russian business history has another peculiarity: the absence of specialized business archives. The remark by Franco Amatori and Geoffrey Jones that “in many emerging [market] countries there is virtually no tradition of private companies devoting resources to preserving corporate archives and even less of a tradition of allowing access to them by outsiders” is partly true of contemporary Russia.¹¹ Nevertheless, state and municipal archives in Russia do hold specialized collections on the histories of enterprises and entrepreneurs. Moreover, several special archival collections outside of Russia hold documents related to the history of foreign enterprises on Russian territory, for example, the Swedish Business History in Russia collection at the Center for Business History, Stockholm, and the Hughesovka Research Archive—a collection of documents in the Glamorgan Archives, Cardiff, about Welsh

¹⁰ Examples include the conference “The Russian Corporation” held in New Haven, Connecticut, on February 22 and 23, 2019, and the conference “Firms and Social Change in Eastern and South-Eastern Europe: Historical, Political and Economic Perspectives,” held in Regensburg, Germany, on May 23–25, 2019.

entrepreneur John Hughes and the New Russia Company Ltd., which he established in the second half of the nineteenth century. So, in terms of access to documents, business historians in Russia are in a more favorable situation than their colleagues in other countries.

Another distinguishing feature of Russian business history is its high level of national isolation compared with its counterparts in other European and North American countries. Russian business historians, with some exceptions, rarely attend the annual meetings of the business history associations—like the European Business History Association (EBHA), Business History Conference (BHC), and Association of Business Historians (ABH)—let alone become their members. As a result, the visibility of Russian business history in the international academic arena tends to be poor. Russian authors rarely try to publish in the important international business history journals such as *Business History, Business History Review*, and *Enterprise & Society*. Nonetheless, within the last twenty years, these journals have published fifteen articles on different aspects of the business history of Russia.

The fragmentation and weak institutionalization of the Russian business history research community curb the development of the field as an independent discipline and limit its international visibility. Moreover, due to disciplinary dispersion, scholars tend to highlight Russian exceptionalism instead of looking for commonalities between the business history of their country and that of others.

**Trending Topics in the Business History of Russia**

To identify recent trends in the business history of Russia, we have selected three hundred books and articles in English and Russian published from 2001 to 2020. The sample was composed in several stages. First, we systematically browsed all issues of the specialized journals, such as *Business History, Business History Review, Enterprise & Society, Journal of Historical Research in Marketing, Journal of Management History, Ekonomicheskaia istoriia: Ezhegodnik,* and *Rossiiskii ekonomicheskii zhurnal*. Then we added some of the most relevant publications collected during our previous studies on the history of Imperial and Soviet Russian business and from previously composed and published lists (for example, specialized publications and syllabi). Finally,

we searched Google Scholar using keywords like “entrepreneurship” (predprinimatel’stvo), “enterprise” (predprijatie), “corporation” (korporacija), and “firm” (firma). We also added the relevant publications referring to the most-cited studies. Then we arranged all the publications according to their citation index in Google Scholar (as of February 27, 2021) and selected the 157 of those that have been cited more than five times (Table 1).13

### Table 1.
A Sample of Publications on Russian Business History with Six or More Citations on Google Scholar (as of February 27, 2021)

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<td>121</td>
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<td>34</td>
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<td>36</td>
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<td>State-owned enterprises</td>
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<td>7</td>
<td>137</td>
<td>17</td>
<td>168</td>
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<td>Family business</td>
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<td>14</td>
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<td>Business culture</td>
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<tr>
<td>Corporate governance</td>
<td>2</td>
<td>158</td>
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<td>50</td>
<td>4</td>
<td>104</td>
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<td>Accounting, information, and communication systems</td>
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<td>25</td>
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<tr>
<td>Theory and methodology</td>
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<td>n/a</td>
<td>2</td>
<td>11</td>
<td>2</td>
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<td>199</td>
<td>72</td>
<td>46</td>
<td>157</td>
<td>91</td>
</tr>
</tbody>
</table>

13The sample includes books published in the twenty-first century, but the history of Russian enterprise and entrepreneurship was a focus of scholarly work long before 2001. See, for example, John P. McKay, Pioneers for Profit: Foreign Entrepreneurship and Russian Industrialization, 1885–1913 (Chicago, 1970); Thomas C. Owen, Capitalism and Politics in Russia: A Social History of the Moscow Merchants, 1855–1905 (Cambridge, U. K., 1981); Alfred J. Rieber, Merchants and Entrepreneurs in Imperial Russia (Chapel Hill, 1982); Gregory Guroff and Fred V. Carstensen, Entrepreneurship in Imperial Russia and the Soviet Union (Princeton, 1983); Peter Gatrell, Government, Industry and Rearmament in Russia, 1900–1914: The Last Argument of Tsarism (Cambridge, U.K., 1994); and Valerii
Distinguishing between business and economic and social history was a challenging task. As Amatori and Jones have correctly noted, the boundaries and scope of business history “remain the subject of intense debate.”  

We therefore applied a rather broad definition of business history, as suggested by Christopher Kobrak and Andrea Schneider, who describe it as a “story and explanation of firms’ evolution in their political, social, technological, and economic contexts.” While acknowledging the arbitrariness and limits of our selection, we nevertheless believe that we have covered the works with the greatest impact. On this basis, it is possible, we believe, to present a satisfactory picture of Russia’s business history today.

Table 1 shows that the most popular topics are the history of entrepreneurship, business and state, technology and innovation, and management. The two topics that have the most extraordinary impact in each period—“informal practices and organized crime” between 2001 and 2010 and “business and the state” between 2010 and 2020—reflect a gradual shift of economic power to the state in contemporary Russia. What the table does not show, but what we noticed from a close reading of the list, is the solid social context provided by most publications. Consequently, in what follows, we review the three main threads of the business history literature of Russia—state intervention in the economy, the evolution of the organizational forms of the enterprise and entrepreneurship, and the social effects of business activities—and, in the next section, we highlight how the Russian context might have led to business responses similar to those in emerging markets.

State Intervention in the Economy: From the Late Empire to the Collapse of the USSR

In the 1960s, Aleksander Gerschenkron argued that in more “backward” countries, such as the Russian Empire, the state takes on the role that had been played by private initiative in earlier industrializing nations, creating the conditions for industrial development by means of fiscal and monetary policy and building transport and communications...
infrastructure. This thesis, although heavily criticized, still largely drives business and economic history research today, orienting scholars toward the economic policy that creates the conditions for business. Recent works suggest reconsidering the role of the state as the engine of Russian economic development, proposing instead to explore, in line with the latest trends in international business history, the role of government as a protagonist that sets the “rules of the game.” The last twenty years have shown a surge in research interest in this area.

Irina Potkina, in her work on legislation on entrepreneurship in Russia, concludes that the government “was constantly looking back at Western Europe, comparing their own actions with what was happening in the West.” She offers a positive image of the tsarist Russian government as a regulator, compared with the earlier picture drawn by Thomas Owen, who characterized it as strongly restrictive and inhibitory. Potkina states that “despite certain shortcomings,” the government “facilitated and supported the development of entrepreneurship in the Russian Empire in various sectors of the economy.” The main drawback, in her opinion, was discrimination on a national and religious basis that was due to the government’s “flexibility and customized approach” to certain groups of entrepreneurs.

Resilience has also been identified as a characteristic feature of the Russian corporation by Amanda Gregg and Steven Nafziger, who collected and analyzed a data set of charters and balance sheets of all corporations active in Russia in 1914. They argue that Russian corporations “possessed considerable flexibility regarding their selection of organizational structures and financial strategies” even within comparatively rigid imperial corporate law.

20 Irina V. Potkina, *Pravovoe regulirovanie predprinimatelskoi deiatel’nosti v Rossii, XIX—pervaya chetvert’ XX veka* [Legislation of entrepreneurial activity in Russia from the nineteenth century to the first quarter of the twentieth] (Moscow, 2009), 275.
companies adjusted to the system and even developed some of their competitive advantages based on the peculiarities of corporate legislation in Russia. These observations have contributed much to our knowledge about entrepreneurial resilience and adaptability in “non-free” or “partly free” societies.

Scholars have rarely questioned the importance of business establishing a good relationship with the Russian tsarist government. Nikolay Arsentyev argues competently that the model of the relationship between entrepreneurship and the Russian government in the eighteenth and nineteenth centuries was typical of countries with strong militaries, for which they needed supplies and services. The state was expected to “create the conditions for efficient development of the private entrepreneurship” in exchange for “service to the state” in the strategic economic sectors, that is, sectors related to state security. Arsentyev convincingly describes that model as “capitalism based on the predatory exploitation of human and natural resources.”

The tsarist government often stuck to the laissez-faire approach to nonstrategic economic sectors, those producing consumer goods. Benjamin Sawyer’s case study of the Singer Company in Russia during World War I shows that even a large foreign company could be relatively independent of government. When, however, the level of xenophobia in Russian society rose because of Russia’s entry into the war, the lack of strong supporters among the influential politicians had disastrous consequences for this foreign company.

Overall, recent studies provide sound evidence that in the late Russian Empire the state played roles similar to those of its Western counterparts. It established the rules of the game, performed a regulatory function, made considerable efforts to develop infrastructure, offered financial incentives, and promoted business opportunities for foreign companies. In strategic industries, the government even invited entrepreneurs personally to expand their businesses to Russia, and it provided government procurement guarantees. Whether

government intervention did more harm than good for business is still a matter of debate.

The recent publications do not provide convincing evidence against the strong-state thesis, but they recognize the agency of several other actors. The discourse has also shifted from evaluating the government’s contribution to industrialization to discussing the variety of its roles in economic and business development.

After the Bolshevik Revolution of 1917, the state took control of all the major economic assets and gradually set in place an administrative command economy. In Soviet Russia, the state unquestionably played an exceptionally invasive role in the economy and society and had a monopoly in determining economic priorities. The state’s effort to transform enterprises into “obedient agents of centralized plans” and to create loyal management was a long and nonlinear process, not wholly successful.

By the end of the 1950s, David Granick and Joseph Berliner had already clearly sketched out the microeconomics and macroeconomics of the Soviet experiment, identifying points of critical importance in the economic and industrial decision-making processes, the organization of managerial incentives, the supply and distribution system, and the informal practices greasing the wheels of the planned economy. After 1991, newly available documentation refined this grand picture without, however, altering its main lines.

The Soviet enterprise was, for a long time, an efficient instrument of state policy and successfully pursued the goals that the political hierarchy had set for it: industrial modernization and extensive growth. For this reason, business and economic historians have extensively explored the role of the enterprise in the military and strategic sectors of the Soviet economy, as well as the economics of forced labor and the Gulag.

The new findings confirm the thesis about the limitations of state capitalism in Russia. For example, Radaev argues that the Russian entrepreneurs were pinched between two powerful entities: the strong state, on the one hand, and traditional communities (patrilineal families, rural communities, ethnic or religious groups), on the other. Radaev argues that this bipolarity was present during the entire twentieth century. See Vadim V. Radaev, “Dva korna rossiiskogo predprinimatel’sva: fragmenty istorii” [Two roots of entrepreneurship in Russia], Mir Rossii: Sotsiologii. Etnologii 4, no. 1 (1995): 159–78.


Mark Harrison, Guns and Rubles: The Defense Industry in the Stalinist State (New Haven, 2008); Arsenii Iu. Ermolov, Gosudarstvennoe upravlenie voennoi promyshlennost’iu v 1940-e gody: tankovaia promyshlennost’ [The state-controlled military industry in the 1940s: Tank production] (Saint Petersburg, 2013); Paul R. Gregory and Valery Lazarev,
Scholars found it more challenging to define the nature of the Soviet enterprise, partly a firm, partly an organ of state administration. Alfred Chandler considered the Soviet enterprise to be the negation of the capitalist firm because managers had no power to put into practice three-pronged investment (production, management, and distribution), no chance to learn how to coordinate effectively because they depended on “central planning agencies to coordinate production and distribution and to allocate resources for the future.” He claimed that Soviet managers “never developed hands-on organization knowledge about current facilities, available supplies, and market demand.”

Chandler looked at the Soviet enterprise, the production unit, and the base of the hierarchical pyramid of the command economy as something composed of soulless and colorless party officials. But he overlooked the strategic decision-making processes at the higher levels of the Soviet administrative apparatus, often the result of conflicts among different bodies and power centers (sectoral ministries, aggregations of enterprises, foreign trade and scientific/academic institutes, and the party’s parallel hierarchy). The boundaries of the Soviet enterprise were not well defined, especially in relation to political and administrative power, and the functions of the Soviet enterprise were multiple.

To understand the evolution of the Soviet enterprise properly, business historians would need to study the decision-making processes in their complexity and entirety, reconstructing the command chain from the State Planning Committee (Gosplan) to the unit of production and approaching the Soviet enterprise in its “extended boundaries.” This is in fact the approach adopted by Andrei Yudanov, Andrei Markevitch, and Ekaterina Zhuravskaya, whose works demonstrate how political priorities determined the functions of Soviet enterprises but, at the same time, point to the common matrix and the similarities in terms of organizational structure and economies of scale with large Western corporations.

Researchers have recently shifted their interest from the years of the Stalinist dictatorship and the study of the immutable nature of the

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administrative command economy to the thirty years that preceded the collapse of the Soviet Union and the examination of the transformation of the economic system. The Communist Party was omnipresent in the Soviet Union, but its policies toward enterprises were often incoherent and inconsistent. For many years, scholars analyzed the fluid organizational “makeup” of Soviet business as yet another plague preventing the efficiency of the system, incapable of changing its overall operation. The latest studies suggest that in-depth research on organizational reforms is crucial to understanding the Soviet decline and how the accumulation of systemic inconsistencies undermined it from the inside and paved the way for the current state of the Russian economy.

Another significant research cluster focuses on the relations between the Soviet state and foreign enterprises. Recent studies have shown that, like contemporary Russian governments, the tsarist governments embraced running enterprises to counterbalance the inflow of foreign direct investments, decreasing their dependence on foreign capital and technology and reasserting the power of the state. Russia’s attitude toward state-owned enterprises today seems less different from other European countries than used to be generally assumed.

The researchers focusing on the Socialist period underline how the Soviet enterprise and big capitalist corporations grew together, stressing most Soviet leaders’ fascination with Western organizational models. To the debate on “Soviet Americanism” they added new archival evidence and provided more details on how Soviet leaders relied on Western experts’ assistance while designing the exceptionally large-scale factories and infrastructure projects to counter the backwardness of the Russian economy. An indication of the widespread adaptation of Western managerial theories to Soviet circumstances also comes from an article by Olga Kravets and Özlem Sandıkçı that analyzes the marketing practices used in the 1930s by Soviet cosmetics firms.

36 Stephen Kotkin, Magnetic Mountain: Stalinism as a Civilization (Berkeley, 1997), 2.
38 Millward, State and Business.

https://doi.org/10.1017/50007680521000386 Published online by Cambridge University Press
Finally, the last twenty years have brought several remarkable studies demonstrating how the planned economy’s informal structures, such as blat (connections, favors, informal deals), report falsification, and personal networks, played a substantial role in allowing the enterprise to operate while hampering the consolidation of market institutions. As Andrew Freris has rightly noted, understanding the “unofficial” freedom enjoyed by Soviet enterprises is crucial for understanding post-Soviet capitalism and is the most promising area in research on Soviet business.

Entrepreneurs and Entrepreneurship

For a long time, business historians emphasized the subservience of Russian entrepreneurship to the state. Recent researchers have, conversely, highlighted the crucial role played by entrepreneurs. Most economic and business historians of Imperial Russia have focused on individual entrepreneurs or family firms; few are concerned with entrepreneurial organizations and their efforts to defend their collective interests. With some exceptions, these studies are anecdotal biographical narratives that seldom place their topic into a broader context or consider current debates in business history.

Fairly recent biographical research by Thomas Owen about Fedor Chizhov, a Slavophile intellectual and businessman, stands out against the background of anecdotes. Owen has conceptualized the biography so that the story of a single person provides a perspective on broader business and social developments in the late Russian Empire. Based on that, Owen reconstructs the conservative current in Russian economic thought, which he calls “Slavophile capitalism.” This current, he writes, consisted of “a peculiar blend of paternalism toward the masses and encouragement of ethnic Russian economic activity.”

Besides considering core groups of Russian entrepreneurs, scholars have recently published useful observations about disadvantaged groups

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such as ethnic or religious minorities and women entrepreneurs.\textsuperscript{45} There has also been a lengthy discussion on how to explain the overrepresentation of religious or ethnic minorities in certain economic sectors. Danila Raskov and Vadim Kufenko researched textile enterprises in the Moscow region from 1832 to 1890 that were owned by a religious minority, the Old Believers. Their work presents evidence that the success of the Old Believers can be explained by the presence of strong social networks and trust, “which arose from their minority status.” Informal institutions and community business reputations, however, “lost their competitive advantage” with the emergence of modern banking and the arrival of new formal state institutions after the late 1880s, and this led to the decline of the Old Believers’ entrepreneurship.\textsuperscript{46}

Foreign entrepreneurship has in the last couple of decades been among the most popular topics in the economic and business history of Russia.\textsuperscript{47} A few important studies describe the hardships that foreign companies met with when operating in Russia.\textsuperscript{48} Archaic corporate law, difficulties in finding reliable local business partners, the labor movement, and often hostile attitudes of tsarist officials and local society were among the main challenges facing foreign companies and individual entrepreneurs.\textsuperscript{49} Though Russian society tended to welcome foreign technologies, which were expected to help the country catch up with the West, it remained highly suspicious of Western institutions and activities it saw as a threat to the integrity of the empire.

Of course, European and American companies operating in other foreign countries also faced economic nationalism, ethnic prejudice, and xenophobia, not only in the Russian Empire. But in Russia, hostility toward foreign entrepreneurs and enterprises was often part of government policy. Scholars are still debating how to describe the business environment there compared with that in other European countries. On the one hand, many foreign companies operated successfully in


\textsuperscript{46} Danila Raskov and Vadim Kufenko, “Religious Minority in Business History: The Case of Old Believers,” \textit{Business History} 59, no. 6 (2017): 967.


\textsuperscript{48} This corresponds to observations made by scholars in the previous decades. See Fred V. Carstensen, \textit{American Enterprise in Foreign Markets: Studies of Singer and International Harvester in Imperial Russia} (Chapel Hill, 1984).

Russia. On the other hand, they often had to rely on local partners who could help with formal and informal matters. Several case studies demonstrate that when foreign companies became too self-confident and did not establish strong alliances with local partners and the government, they failed.⁵⁰

During the Soviet period from the 1920s onward, although not continuously, foreign enterprises remained a key source for technologies and organizational practices. In the 1960s, Soviet institutions signed several “agreements of technical and scientific cooperation” with foreign enterprises, often backed by the governments of the latter.⁵¹ The role of the Soviet Union in globalization, including its economic presence both in developing and in Comecon countries, is, however, still a puzzle with many missing pieces; the most important of them concerns the effect of globalization on the dissolution of the Soviet Union.

For many years, scholarly debate about enterprise and entrepreneurship has focused on the business environment rather than the enterprise itself. Few publications got inside the black box of the firm in order to understand how strategy and structure shaped each other, and the Chandlerian framework did not spread among scholars publishing in Russian-speaking journals.⁵² A notable exception is the work of Mikhail Baryshnikov, who applies stakeholder perspective to the analysis of companies operating in Saint Petersburg and Moscow in the early twentieth century.⁵³ Baryshnikov explores conflicting interests of company owners, managers, workers, consumers, suppliers, creditors, state authorities, trade unions, and civic organizations and seeks to explain decision making within the firms.


⁵² This was true even despite attempts to present Chandler’s main idea to the Russian audience: for example, Boris M. Shpotov, “Teoriia evoliutsii firmy Alfreda D. Chandleri i puti razvitiia promyshlennosti” [Theory of evolution of a firm by Alfred Chandler], in Ekonomicheskaia istoriia: Ezhegodnik 2009, eds. Leonid Borodkin and Iurii Petrov (Moscow, 2009), 21–50.

Another example is the study by Amanda Gregg about the advantages of incorporation in Imperial Russia. Gregg analyzed the incorporation of more than four thousand Imperial Russian firms and provides convincing evidence that incorporated enterprises were “larger, more productive, and more mechanized than unincorporated factories.”

Most business historians currently have continued to concentrate on large industrial enterprises; in this respect, there is a continuity of the tradition established in the twentieth century. The service sector, except for financial enterprises, has been a less popular source of research topics. Recent publications on the history of banks and the stock exchange in Russia have presented a more nuanced picture of the mechanisms for mobilizing equity capital and demonstrated their importance in funding imperial industrialization. These new findings provide solid evidence that businesses operating in the late Russian Empire could rely on multiple financing sources (foreign direct investments, direct loans, the issue of debt securities, new equities). Consequently, companies could use different financing strategies and practices. These findings also provide further evidence against Gerschenkron’s thesis about the state being the only crucial investor in Imperial Russian industrialization.

The entrepreneur—as the individual who, to use a standard definition (from Merriam-Webster), “organizes, manages, and assumes the risks of an enterprise”—was a marginal actor in Soviet history, active in limited sectors (agriculture and retail, the second economy) and only in certain periods. Most scholars agree that entrepreneurship existed in the Soviet system, but identification of the entrepreneurial function in the Soviet system has been debated since the 1950s. Some studies have shed light on how the shortages of the centrally planned economy nudged or even forced Soviet citizens to become entrepreneurs to make a living. This perspective insists on the compensating function of entrepreneurship in the Soviet system. It rests on many sociological and ethnographic

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56 Guroff and Carstensen, Entrepreneurship; Oksana Shmulyar Green, Entrepreneurship in Russia: Western Ideas in Russian Translation (Gothenburg, 2009).

57 Shmulyar Green, Entrepreneurship in Russia, 136.
Economic and business history research on Soviet entrepreneurship has focused on the entrepreneurial function of the Communist Party and the entrepreneurial skills of party leaders who made decisions about strategic investments and promoted the creation of entirely new industrial branches and plants.\textsuperscript{59}

Many studies describe how Soviet industrial management performed the entrepreneurial function. For a long time, scholars looked at Soviet administrators as part of a soulless bureaucracy subjugated to the authority of the Communist Party; by contrast, they presented the relationship between enterprise directors and political decision makers in terms of the principal-agent concept, stressing managerial opportunism. Recent works draw a more nuanced picture of Soviet industrial management as a non-homogeneous group. Some directors of the largest factories carried enormous political weight and became influential members of the party.\textsuperscript{60} We find numerous examples of high-ranking directors trying to emancipate themselves from party control and acting as “real entrepreneurs for their own sake.”\textsuperscript{61}

The recent studies reveal new, important details about the evolution of the skills, values, and expectations of Soviet business elites and technical experts from Stalinist times to the 1990s. Case studies from the civilian nuclear industry and the investigation of the Chernobyl disaster in April 1986 underscore the deference of nuclear specialists to “official channels” and “decisions that they perceived as political, as opposed to rational” but also their loyalty to the Soviet nuclear-power project and its economic and political mission.\textsuperscript{62}


\textsuperscript{59} Guroff and Carstensen, \textit{Entrepreneurship}, 284.

\textsuperscript{60} Sergei A. Bakanov, \textit{Ugol’naia promyshlennost’ Urala: zhiznennyi tsikl otrasi ot zarozhdeniia do upadka [The coal industry of the Urals: The industry life cycle from emergence to decline]} (Chelyabinsk, 2012); Liudmila L. Mokhovikova, \textit{Kolesnitsa sud’by automobilizatsii Rossii [A history of automobilization in Russia]} (Tolyatti, 2017).

\textsuperscript{61} Nikula and Tchalakov, \textit{Innovations and Entrepreneurs}, 29.

Business enterprises in both Russia and the Soviet Union were heavily burdened by social obligations. In the last two decades, social responsibility of business—including different forms of philanthropism, the relationship between enterprises and employees and local communities, and the enterprises’ contribution to the development of public infrastructure—have been among the most popular topics in the business history of Russia.

During imperial and Soviet times, both the state and local communities expected enterprises to develop infrastructure and take care of their workers. Both periods saw the active involvement of enterprises in the development of social infrastructure and a widespread paternalist attitude to employees, as has been amply demonstrated by the results of the international research project “Work Incentives in Russian Industry, 1861–2000: Compensation, Commitment, Coercion.” In the project, Andrei Markevich and Andrei Sokolov have compared labor incentive policies in both pre-Soviet and Soviet times and detected more similarities than expected. Focusing on the Moscow “Hammer and Sickle” Metallurgical Plant, Markevich and Sokolov demonstrate how the management combined encouragement and coercion during the imperial, Soviet, and post-Soviet periods.63 The collective volume about labor incentives in two large textile mills in late Imperial Russia also demonstrates the complexity of relations between employers and employees. Besides better wages, employees were also offered a set of welfare programs.64

Fairly recent works combining the history of enterprises with labor history have also contributed to what we know about the persistence of informal practices in Russian enterprises. Michael Melancon’s book about the 1912 Lena massacre, for example, shows the glaring tolerance of tsarist officials for illegal practices and systematic employers’ abuses when they dealt with strategic production for the state. This was at the root of one of the most infamous instances of anti-worker violence in tsarist Russia. The documents of official investigations and inquiries carried out following such violent conflicts provide historians with excellent material about the uglier sides of Russian industrial capitalism.65


65 Michael Melancon, The Lena Goldfields Massacre and the Crisis of the Late Tsarist State (College Station, TX, 2006).
Soviet workers have long been at the center of historians’ interest. Recently, however, the study of Soviet monotowns has provided a broader perspective on Soviet labor relations. In his work on Magnitogorsk, Steven Kotkin cogently argues that historians ought to focus not only on the attempt by the Soviet state to control the economy or to “destroy” society but also on the state’s attempt to create a new “Soviet” society. In fact, since the 1930s, one of the most efficient weapons the Soviet state used to fight economic and social backwardness was the construction of brand-new industrial plants together with satellite towns. Some of these industrial monotowns remained secret, not accessible to foreigners, and sometimes not even to Soviet citizens, but others became veritable showcases for domestic and foreign consumption, Soviet industrial achievements, and Soviet moral superiority over capitalist society.

In exchange for their loyalty, silence, and consent, the inhabitants of such towns were often offered better living conditions than other Soviet citizens. This was true not only of Soviet nuclear towns, like Pripyat or Ozersk, but also of other industrial cities, such as Tolyatti and the other “Soviet Detroits.” 66 As if seen under a magnifying glass, their histories show the immensity of the welfare obligations of Soviet enterprises. Ultimately, the Soviet enterprise was the “primary unit of Soviet society and the basis of the social and political power”; it was a “hub that nurtured various forms of informal economy and blat relations” and an instrument of Soviet authoritarian paternalism. 67

Soviet labor history is also a source of detailed information about particular forms of entrepreneurship. Many businesspeople from the Russian Forbes list claim that they acquired their entrepreneurial skills while working in student construction brigades. 68 The government started to send these temporary construction crews to remote areas of the Soviet Union in the late 1950s. The job was well paid, and many students earned both money and the skills to start their own businesses in the late 1980s.


The Business History of Russia as an Alternative Business History

Most of the studies on the business and economic history of Russia have been written in the conceptual framework of “modernization,” which Theodor Von Laue aptly described as “a tragic dilemma of a backward country beset with the ambition to rival the model nations of the West.” 69 The debate on Russian modernization, implicitly or explicitly, compares Russian economic performance with that of the West and points out several peculiarities. One of them is the dominant role of the state, coexisting with significant institutional voids. Another is the “catch-up” character of Russian modernization, an essential part of which was the transfer and adaptation of technologies from abroad. Another peculiarity is that the level of political discontinuity and turbulence was exceptionally high in Russia, even by European standards.70

The modernization theory is a powerful tool for explaining economic and business processes in less-developed countries and when comparing their performance with the early industrialized economies. Yet some business historians have initiated an interesting debate about the Western bias of the discipline and stress the need for a more plural and inclusive picture of the global business transformations. Gareth Austin, Carlos Dávila, and Geoffrey Jones suggest looking at the business history of the emerging markets as a “distinctive body of scholarship different from that on the West,” which singles out specific business responses to institutional contexts that are dissimilar from the developed markets.71 The authors identify six “distinctive responses” typical of businesses in the emerging markets: “the important role of entrepreneurship, the prominence of immigrants and diaspora among business elites, the importance of illegal entrepreneurship, the role of business groups, the priority given to coping with economic and political instability, and engagement with social responsibility.”72

The “alternative paradigm” seems to be a suitable framework for exploring the potential of the business history of Russia to contribute to current debates and even to refine the mainstream of the discipline. Also, applying it to the Russia questions usually asked about the developing countries can help reveal gaps in the research and identify promising new directions.

70 See Aleksandr S. Seniavskii, “Istoricheskii opyt, kotoryi ne vostrebovan sovremennoi rossiiskoi praktikoi” [Historical experience, ignored in modern Russian practice], Ekonomicheskaya istoriya, no. 1 (2011): 28; and other articles in this issue.
During the twentieth century, Russian enterprises faced extraordinary institutional and political challenges, which led to specific responses by Russian businesses. Though the periods of the late Russian Empire and Russia’s contemporary history meet the definition of an emerging market, the peculiarities of the Soviet economic system suggest a certain caution in applying this framework. Still, recent research in the business history of the Soviet Union clusters around many of the “commonalities” highlighted by Austin, Dávila, and Jones as state intervention, entrepreneurship, social responsibilities. Besides, the alternative business history suggests focusing on how actors reacted to “institutional voids” and “turbulence in the business environment.” This is undoubtedly an approach well suited to the study of the crisis of the Soviet system and the challenges of contemporary Russia.73

Placing the Russian experience in a “broader generalization” concerning emerging economies raises concerns that it might mean losing sight of the peculiarities of Russian business and entrepreneurship history. But, and this is a big but, historiography on Russia and the Soviet Union is not an emerging field; its tradition is too well established, and it is an area of expertise too strong, to be seriously challenged by looking at the history of Russian business through a lens that aims to place it in a global perspective. In what follows, we review how the business history of Russia has dealt with each of the six “distinctive responses” identified by Austin, Dávila, and Jones.

As we have seen, the business history of Russia is rediscovering the centrality of entrepreneurs in economic life in the Russian, Soviet, and post-Soviet contexts. But the evolution of the structure of the corporation, the pros and cons of big business, and the advantages of state-ownership over private entrepreneurship are still at the core of the debate. For the history of Russian state-owned enterprises and the entrepreneurial state, the Russian experience has been the benchmark for scholars dealing with the history of state intervention for a long time. Still, the events of the last thirty years, from the crisis of the Communist regime to the rise of Putin, have posed new questions that might well be better framed and answered if placed in a global perspective.

Studies on Russian state-owned enterprises in nonstrategic sectors, such as retail or services, are few and far between. By contrast, works on state-owned companies in the Russian energy sector, including Gazprom, Rosneft, and Lukoil, abound and offer fresh perspectives on monopolization processes and firms’ roles in foreign policy during and

73 Austin, Dávila, and Jones, 541–44.
after the Cold War. They also focus on the resources that Russian energy actors (and not only them) had and still have at their disposal to deal with changes in global markets and technology. The “resource-based approach” to transitional firms, popular in the late 1990s, rapidly fell out of fashion. Still, the history of Russian gas and oil companies proves that we need to know more about Russian organizational culture.

The role of foreign entrepreneurs and capital in Russia has been a trendy area of research since 1970, when John McKay published his influential book on foreign entrepreneurs in the Russian Empire. McKay demonstrated how the trade-off between opportunity and risk shaped the strategies of international companies doing business in Russia. Recently, other scholars have published new case studies on the topic, providing opportunities to compare the business strategies of foreign companies in Russia with those in other countries. Since Imperial Russia was the major consumer of foreign direct investment in the world, research on business history in Russia contributes much to worldwide debate on multinational strategies and developing countries.

Among business historians of Russia, exploring “brain gain” has been more popular than focusing on “brain drain” processes. In this case, the alternative paradigm points out some gaps in the writing of history: business historians of Russia have largely overlooked the entrepreneurial activities of emigrants from Russia.

Historians of Russia have offered academically rich examples of illegal forms of business, informal practices, and white-collar and organized crime. Informal business practices have taken diverse forms and spread through all economic relations; they have proven extremely tenacious despite institutional and political changes and they remain one of the main challenges to Russian modernization. Geoffrey Jones, Rachael Comunale, and Kate Lazaroff-Puck, in their case study on the


75 McKay, Pioneers for Profit.


rise and fall of the oligarch Boris Berezovsky, show that in the 1990s the Russian government did not just fail to fight crime but often based its authority on semi-crime relations.78 This was one of the few attempts at bringing Russian oligarchs (crony capitalists who have become central actors in the Russian transformation) back in to the mainstream business history debate on white-collar crime in western Europe, the Mafia, and endemic corruption in Italy, China, and Latin America. Business historians’ interest in these topics is recent, and uncertainties exist in the definitions and methodology of both concepts because of the poor sources.79 Literature on “violent entrepreneurship” and the informal economy in Russia would surely contribute to business historians’ understanding both of the effects of endemic corruption on business performance and of the international ramifications of organized crime.80

The alternative business history concept presents the creation of business groups as a rational response to institutional voids rather than as a sign of backwardness. This also applies to Russian business groups whose emergence resulted from the transformation of Soviet enterprises into business firms in the 1990s, in a political turbulence when the state was unable to guarantee the rule of law.81 In particular, with the second wave of privatization (from 1995 to 1997)—the so-called loans for shares—the state allowed open auctions at which buyers, often the banks running the auctions, purchased assets at a fraction of the fair market price as collateral for granting credits to the Russian federal government. This led to the consolidation of private business groups, often headed by oligarchs. According to contemporary observers, this was an example of “state capture” or “privatization of the state” by Russian big business. Starting from the 2003 “Yukos affair”, Vladimir Putin ended this process, reimposing state dominance over big business, and renationalizing most of them. The origins of Russian business groups are therefore very recent, their consolidation took place faster than in other emerging and mature economies, and the relations with political elites appear to be peculiar to Russia. For these

reasons, stressing historical analogies with business groups in emerging markets requires caution.

Several studies demonstrate that business organizations operating in Russia face institutional voids and discontinuities. Consequently, these firms have adapted their structures and strategies to an unstable institutional environment. As we sought to demonstrate above, this applies to both tsarist Russia and the Soviet Union, although with some features peculiar to only one or the other. The social and political experiment that followed the end of the Soviet Union offers business historians another opportunity to investigate how businesses respond to rapid and unpredictable contextual changes.82

And yet considerable gaps remain in business historians’ understanding of the last decade of the Soviet Union and the first decade of the new Russia when enterprises had to deal with the legacy of their past social and political functions. In theory, economic liberalization and privatization should have wiped away any residual socialism, especially political interference in company decision-making.83 Nevertheless, legacies of the Socialist past today seem markedly more important in determining the future of Russia than scholars imagined in the 1990s. Mark Beissinger and Steve Kotkin cogently compare Soviet legacies to colonial legacies.84 This direction may well be worth elaborating using the alternative paradigm.

Business responses to context were particularly neglected by business and economic historians of the Soviet period, who focused more on the politics and macroeconomics of the Soviet period—the planned economy—than on actors. Nevertheless, Philip Scranton’s “key concepts of business history”—action, agency, and structure—apply to the Soviet epoch as well.85

Scholars formerly presented Russian and Soviet economic actors as rational but faceless individuals or entities with free access to infinite information. New research instead highlights how the Russian business decision-making process was hardly straightforward, and scholars provide valuable case studies to debates on behavioral management theory and cultural economics. In addition, the representation of an

84 Mark Beissinger and Stephen Kotkin, Historical Legacies of Communism in Russia and Eastern Europe (Cambridge, U.K., 2014). Thomas Owen emphasizes continuities between the tsarist and late Soviet periods and suggests some implications that the weak corporate heritage may have for the future of Russian capitalism. Owen, Russian Corporate Capitalism.
economic actor as *homo economicus* is now increasingly having to compete with the picture, drawn by cultural historians, of entrepreneurs and managers as emotional, torn, irrational individuals forced to survive and act entrepreneurially, often in a turbulent political context. Russian and Soviet history is a veritable reservoir of cases for the “historical and narrative turn” in contemporary business history studies.

Digging deep into the agency problem can sometimes help us to gain a better understanding of the mechanisms of monopolization and competition. Although for a long time the received wisdom was that competition does not exist in planned economies, new case studies can contribute much to the discussion about the impact of competition and cooperation within a business organization on the performance of the planned economy in which it operates. It is now clear that in the Soviet system, it was not only enterprises that competed for resources; so too did ministries and departments representing political groups of influence. The clash of interests between these groups caused ambitious projects to fail. The construction of nationwide computer networks in the 1960s and 1970s, for instance, failed because the different government departments could not come to an agreement on standards. This example also serves as a useful lesson about difficulties that arise in state-led innovation.

The adoption of radical corporate social responsibility concepts has not really been a choice for Russian enterprises. Instead, it has been an obligation toward their employees and the local community, and it has its roots in tsarist times.

Like the early industrialized economies, factory welfare was a tool used to compete for skilled workers and a way of dealing with the crisis in business-labor relations and also an attempt to forestall labor movements. At the same time, enterprises in Russia often provided the social infrastructure for their employees and their families and for

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other local communities. In the eyes of the government, the employer was, or was meant to be, a benevolent master who took care of the moral and material well-being of his workers. By means of legislation, as well as informal institutions, the government nudged employers to assume social obligations. Philanthropic (often religious-based) motives and expectations of business, typical of moral economies, also played an important role. Their incentives were closer to the model that Austin, Dávila, and Jones describe.

Our review, we hope, shows that the business history of Russia needs to be taken seriously by business historians for a number of reasons: The history of business in Russian has much in common with what Austin, Dávila, and Jones noticed in emerging markets. At the same time, our review shows that the business history of Russia inhabits that blurrily demarcated area between alternative business history and mainstream business history, the history of emerging and early developed markets. As such, it adds to the challenge but also defines them both.

Concluding Remarks

Despite being isolated from the international community, the business history of Russia did not ignore international trends. Its research therefore has a potential opportunity to contribute to the current debates on the subject. Sometimes, however, the community is focused on adapting the latest concepts and theories but less inclined to try to have an impact on these debates. Communication between business historians inside and outside of Russia continues to be a one-way street. We see great potential for increased integration into international discourse. We believe this can be achieved in the following ways.

To research locally but to think globally and to conduct transnational comparative research is the chief way. By focusing exclusively on Russian cases, historians of business in Russia limit their potential impact. Scholars should look beyond Russia’s borders.

Decades of political discontinuity in Russia have fragmented the narrative. Most of the research has been on a clearly demarcated period: imperial, Soviet, or post-Soviet. To trace the fundamental social changes in Russian society and to see how that society has diverged or converged with the rest of the world, we need longue durée histories following enterprises’ paths through periods of political disruption.

Although some organizational studies on the history of entrepreneurs and enterprises of Russia have been published, far more research is needed that focuses on organizational structures and business strategies. Studies focusing on the decision-making processes and investigating the “black boxes” of Russian enterprises are still few and far between. Moreover, surprisingly few works directly address the question of why some businesses failed while others succeeded. The performance and competitive advantage of Russian businesses is a topic of great potential.

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