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MORE ON GEORGIAN ORTHODOX CHURCH ATTITUDE TOWARD ENTREPRENEURSHIP: A Response to Paul Crego [...]*

By Leons Gabriels Taivans

I am thankful to Paul Crego, Ph.D., for his critical remarks. They were dealing with my brief anthropological insight into the Georgian Orthodox Church members' work and entrepreneur activity according to Weberian methodology. An academic journal is a sort of lab, where scholars have a chance to discuss their ideas and dispute their research approaches. Each discussion, therefore, is beneficial and fruitful.

Dr. Crego complained that I have compared oranges with apples:

When he finds a Protestant ethic in the Republic of Georgia, he has imposed this idea on a society that is largely innocent of this system of thought. In my opinion, there is also an overgeneralization in terms of privileging Calvinism and its theology and ethics as somehow prototypical of Protestantism.¹

My answer would be as follows. The contemporary interpretation of the theory of economic conduct under the influence of religion has greatly changed from the times, when, as Dr. Crego states, "economic success [was understood] as a sign of God's grace and salvation."² The contemporary Weberian approach long ago has crossed the borderlines of confessions and even religions. It is especially important when we discuss Georgia, which, according to Bernard Lewis, is the part of Middle East.³ The closest neighbor of Georgia is Turkey, and both countries have a few social and economic parallels intertwined with their EU aspirations, past and present.

The main characteristic of the Turkish economy from the proclamation of the Republic in 1923 was that the economy was planned by the state and bureaucrats with almost no civil or private initiatives. This might be considered as the reason why the small and middle enterprises stayed at lower levels for a long time in Turkey. Since 1923 Georgia also had a state-planned economy and

* This research was supported by a Marie Curie Research and Innovation Staff Exchange scheme within the H2020 Programme (grant acronym: New Markets, no: 824027).

¹ Paul Crego, "A Response to Leons Gabriels Taivans' "Between Oriental Orthodoxy and European Modernity: Georgian Orthodox Church, Market Economy, and Social Message," *Occasional Papers on Religion in Eastern Europe*, Volume 42, Issue 7 (2022), pp. 118-119.

² Ibid.

³ Michael B. Bishku, M. B., "Is the South Caucasus Region a Part of the Middle East," *Journal of Third World*, pp. 83-102.

bureaucrats were the dominating economic force like that of Turkey. Despite the state dominance in the economy during the decades of Soviet rule, Georgia's population enjoyed considerable concessions, such as catering enterprises, small production shops, personal auxiliary farms, and other small economic unit thus creating a sort of "dual economy."⁴

Things greatly changed for Turkey in the 1980s, when Turgut Özal, the chief economic bureaucrat, then Prime Minister, and finally President of Turkey started the change and transformation process in his country. His liberal economy policies provided the basis for transforming the economic structure from a state-oriented economy to a free market. Özal was trying to encourage people to set up their businesses and create an enterprise culture. Besides institutional changes, moral transformation played a vital role in his process. The religious movements benefited from this period's liberal politics and gained more power. It has been claimed that the increasing number of pious businesspeople and their religious business associations are still the by-products of the liberal policies of Turgut Özal.⁵

Georgia followed the path of Turkey several decades later. In 1990 the disintegration of the Soviet Union began the economically heavy transitional period. In 2005, the reforms initiated by the government of M. Saakashvili eliminated mafia gangs,⁶ and Georgia could turn to economic activity like that of Turkey. Georgia exposed a very high level of religiosity which I mentioned in my previous article. The exclusive role of religion could trigger economic conduct like that of Turkey. Additionally, the Turkish model provided a lot of academic interest.

Newly emerging pious businesspeople became a subject of academic studies about Islam and business following the Weberian methodology contrary to suggestions by Dr. Crego. Weber's Protestant ethic thesis stressed the relationship between religion (in the case of Turkey - Islam) and business activities, the Islamic or Muslim ethic concerning work-related attitudes, and business activities.⁷ This approach was supported by the "Islamic work ethic" research that had

⁴ See: F. J. M. Feldbrugge, "Government and Shadow Economy in the Soviet Union," *Soviet Studies*, Oct. 1984, Vol. 36, No. 4, pp. 538, 541.

⁵ A. E. Dogan, "İslamci Sermayenin Gelisme Dinamikleri ve 28 Subat Sureci," (The Dynamics of Islamic Capital and the period of February 28th), *Mulkiye*, 252//Quoted in: Selçuk Uygur, "The Islamic Work Ethic and the Emergence of Turkish SME Owner-Managers". *Journal of Business Ethics*, Aug. 2009, Vol. 88, No. 1, p. 213.

⁶ G. Slade, "No Country for Made Men: The Decline of the Mafia in Post-Soviet Georgia," *Law & Society Review*, September 2012, Vol. 46, No. 3, pp. 623-649.

⁷ M. Arslan, "A Cross Cultural Comparison of British and Turkish Managers in Terms of PWE Characteristics," *Business Ethics: A European Review*, 2000, 9(1), pp.13-19.

been conducted in other Muslim countries.⁸ Barro and McCleary, for instance, argued that religion is an important dimension of culture and, based on a sample of 59 countries, found that church attendance and religious beliefs affected economic growth not necessarily in Protestant or Christian societies only.⁹ In addition, Mehanna examined the role of religion on international trade and found a significant impact.¹⁰ Bartke and Schwarze found that religious faith shows a strong influence on risk propensity and that specific religion affiliations explain different risk attitudes.¹¹ Furthermore, other scholars, for instance, R. M. McCleary presented theoretical explanations regarding the role of religion in economic development.¹² Weber, with others following, argued that differences in entrepreneurial activity can be explained by cultural and religious factors, specifically the society's acceptance of the Calvinist work ethic undervalued by Dr. Crego.¹³

Moreover, religious values became motivators for the economic behavior of religious people and their descendants, even if the religious leaders did not expect this type of historical outcome. A lack of wide systematic cross-country empirical analysis of the impact of various religions on the forces that feed economic activity in Georgia doesn't mean that Georgian churchgoers are, as Dr. Crego insists, "largely innocent of this [Protestant] system of thought."¹⁴ The skepticism by Dr. Crego is obvious because the influence of religious factors on entrepreneurship is a poorly understood phenomenon and this relationship is complex and indirect. The theoretical perspectives on this issue are not developed enough, and current empirical data are scarce. Moreover, the relationship between religion and entrepreneurship, at the individual level, is interdependent and affected by a wide range of additional factors such as personality, ethnicity, network structures, education, and risk attitude.¹⁵ This relation is also interdependent at the macro level and affected by the political regime and national cultural factors.

⁸ A. Ali, 1988, "Scaling an Islamic Work Ethic," *The Journal of Social Psychology* 128(5), 57, p.575-583; D. A. Yousef, "Islamic Work Ethic: A Moderator Between Organizational Commitment and Job Satisfaction in a Cross-Cultural Context," *Personnel Review* 2001, 30(2), pp.152-169.

⁹ R. Barro & R. McCleary, "Religion and economic growth," *NBER Working Paper* 9682 (2003).

¹⁰ R. A. Mehanna, "International trade. Religion, and political freedom: An empirical investigation". *Global Business and Economic Review*, 2003, 5(2), p. 28.

¹¹ S. Bartke, R. Schwarze, (2008). "Risk-averse by nation or by religion? Some insights on the determinants of individual risk attitudes". *SOEP paper*, No. 131.

¹² R. M. McCleary, (2008). "Religion and economic development: The advantage of moderation," *Policy Review*, 148, pp.45-58.

¹³ Paul Crego, op. cit.

¹⁴ Ibid.

¹⁵ P. Carswell, D. Rolland, "The role of religion in entrepreneurship participation and perception," *International Journal of Entrepreneurship and Small Business*, 2004 (3/4), pp.280-286; M. Caliendo, F. M. Fossen, A.S. Kritikos,

Thus Huntington¹⁶ and Landes¹⁷ argue that the Protestant work ethics influenced large numbers of people to engage in work in the secular world, developing their enterprises, engaging in trade, and accumulation of wealth. Moreover, Becker and Woessmann found that Protestantism led to a higher educational level, which positively influenced economic growth and entrepreneurship level.¹⁸ Elements of Protestant ethics were exploited even by Soviet ideologists to activate economic performance.¹⁹

The religious enthusiasm of Georgians followed another path, which was paved to a great extent by Soviet intellectual opposition. In the 1970s scholarly literature earned great popularity which aimed to rehabilitate religion as an element of culture and statehood. Contrary to outdated Marxist theory religion it was praised as an ideology that helped to establish Russian statehood at its initial stage. Georgian intellectuals followed the trend and created several literary and scholarly works relating to the medieval history of Georgia.²⁰ In the 1990s the church began to fill the ideological vacuum left by the collapse of state socialism. When Georgia regained independence in 1991, the vast majority of the country's population consisted of Orthodox Georgians, and they wanted to quickly get rid of the Soviet legacy. They saw the church as an important resource for the formation of a new identity and the restoration of lost statehood. In a young post-Soviet state that otherwise lacked a consistent state ideology, indoctrination by the church was easy. The concept of a Georgian as a person who belongs to the Georgian ethnos and church—that is, Orthodoxy—began to spread. After independence, both the number of parishioners and priests grew. As a result, the inculcated ideology of “Georgian-ness” began to rely on a solid infrastructure of churches, dioceses, and parish priests, with the State-Church Concordat (2002) serving as an important legal backup.²¹

“Risk attitudes of nascent entrepreneurs - New evidence from an experimentally validated survey,” *Small Business Economics*, 2009, 32(2), pp. 153-167.

¹⁶ S. P. Huntington, *The clash of civilizations and the remaking of world order*. New York: Simon Schuster, 1996.

¹⁷ D. S. Landes, *The Wealth and Poverty of Nations: Why Some are so Rich and Some so Poor*. New York: Norton, 1999.

¹⁸ O. S. Becker & L. Woessmann, “Was Weber wrong? A human capital theory of Protestant economic history”. *The Quarterly Journal of Economics*, 2009, 124(2), pp. 531-596.

¹⁹ W. Timothy, “The Proletarian Ethic and Soviet Industrialization”. *The American Political Science Review*, Vol. 77, No. 3 (Sep. 1983), pp. 588-601.

²⁰ The best example, probably is Konstantine Gamsakhurdia's.

²¹ A. Gegeshidze, A. Mirziashvili, “The Orthodox Church in Georgia's Changing Society,” *Carnegie Europe*, <https://carnegieeurope.eu/2021/07/23/orthodox-church-in-georgia-s-changing-society-pub-85021> (Accessed 11.16.2022).

Unlike Western churches, the Georgian Orthodox Church was bypassed by Medieval Western monasticism, Renaissance, and the Enlightenment. After Georgia regained independence in 1991, it never underwent post-totalitarian reforms. The main source of the Georgian Orthodox Church's conservatism is its Orthodox doctrine. However, Orthodoxy as such does not contradict a society's goals of modernization and Europeanization, as is evidenced by other European Orthodox countries, such as Bulgaria and Greece.

Thus, for instance, Gotsis, Kortezi, and Katselidis conceptualized the potential benefits of creating social capital derived from the Greek Orthodox work ethic and theology.²² As a result, they expect positive effects, mainly through various cultural transmissions of Greek Orthodoxy, on the entrepreneurial process. Sherman documented a positive effect of religious orthodoxy upon both the attitudes and actions favorable to economic progress.²³ Dana Tassioupoulos argues that Greek Orthodoxy fosters a work ethic and leadership style that may facilitate successful entrepreneurship.²⁴ The case of Greek Orthodoxy has been scholarly analyzed, but this is not the case of Georgian Orthodoxy yet. The reason is much the same as I mentioned in my article: the nearly two hundred years of Russian yoke. The Georgian Orthodox Church considers itself the only defender of Georgia's national values, which are diverse and hard to define; the church has never been able to define a precise theological basis for its conservatism.²⁵

Dr. Crego stresses the opposition of the Orthodox Church to Russians, but this is not the subject of my article. What I wanted to say is that the Georgian Orthodox Church never developed its own theology. The Protestant ethic and Turkish Muslim ethic (developed by Fethullah Gülen, for instance) is at least the outcome of theological thought. When I speak of the isolation of GOC,

²² G. Gotsis, Z. Kortezi, "The impact of Greek Orthodoxy on entrepreneurship: A theoretical framework," *Journal of Enterprising Communities: People and Places in the Global Economy*, 2009, 3(2), pp. 152-175; G. Gotsis, I. Katselidis, "An Eastern Orthodox Perspective on Humanizing Business: The Case of Greek Orthodoxy," https://link.springer.com/chapter/10.1007/978-3-030-72204-3_14, (accessed 11.11.2022).

²³ A. L. Sherman, *The soul of development: Biblical Christianity and economic transformation in Guatemala*. New York: Oxford University Press, 1997.

²⁴ D. Tassiopoulos, "Greek Christian orthodoxy and entrepreneurship," In D. Leo-Poul (Ed.), *Edward Elgar: Cheltenham*, UK and Northampton, MA, 2010.

²⁵ A. Gegeshidze, A. Mirziashvili, "The Orthodox Church in Georgia's Changing Society," *Carnegie Europe*, <https://carnegieeurope.eu/2021/07/23/orthodox-church-in-georgia-s-changing-society-pub-85021> (Accessed 11.16.2022).

the development of theology was the subject, not the occasional contact with the monks of Athos, or various monasteries in Constantinople.

Finally, some words should be said concerning the incorporation of the Caucasus into the Russian Empire. I completely agree with Dr. Crego concerning the history of resistance against Russian rule. It was a profound shock to the cultural traditions of Caucasian people in many ways. In the Caucasus, Russia saw itself as a great modernizing force, forcibly wrenching these communities into the modern world. It sought to undermine any state or religion that worked against its global strategic interests. In some places, this meant extinguishing preexisting autonomous church structures, as when it abolished the ancient autocephalous Georgian patriarchate soon after its conquest in 1801; Georgian bishops were henceforth merely part of the Russian Orthodox Holy Synod. It also meant cultural conformity: many Georgian and Armenian churches were whitewashed because Russian churches were not riots of color like the Caucasian Christian churches traditionally were, often destroying beautiful medieval frescoes. Moreover, under Russian rule, the ecclesiastic independence of the Georgian Orthodox Church was abolished, and the Russian language was thoroughly imposed both in civil and clerical spheres; something that never happened before, even during the brief Byzantine influence. The result of ecclesiastic imperialism was the reduction of the spiritual energy from economic performance towards the establishment of Georgian statehood and political independence.