

ENTREPRENEURSHIP – RELIGION AND ETHICS: THE ORTHODOX CHURCH'S VIEW OF ENTREPRENEURIAL ACTIVITY

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ABSTRACT

This paper examines the relationship between religion and entrepreneurship. Through the analysis of ecclesiastical texts and the approach of ancient and modern philosophers, there is a suspicion of religion towards entrepreneurial activity and the way it affects people. Between the second century and the Enlightenment (in the eighteenth century), Christian theology shaped debates about economic behavior. The main interest of the Church was to recommend and criticize areas where economic actions had moral implications. The Especially Orthodox Church and its Theological approach the awareness of the notion of "Entrepreneurship" to be the study of the relationship of God, Man, and the World. In the way Orthodoxy perceives entrepreneurship, there is a very important distinction: The business owner does not identify with the entrepreneur. Although on the basis of everyday practice each entrepreneur is considered the owner of his business, the theologically ultimate owner is God. God is therefore "Owner" (*Κτήτωρ*), and "Creator". The possibility of "Creation" establishes the right of Divine property and the assignment of its conditional use. By making a reduction to modern terminology, we could say that God is the "Ownership Shareholder" who provides through franchise raw materials and know-how. In fact, according to the approach of the Orthodox Church, even the "Entrepreneur" man is the property and property of God and that is why in the theological texts it is also referred to as "property part".

Keywords: Entrepreneurship, Religion, God, Trust.

1. Introduction: Relationship Between Entrepreneurship and Religion.

Religion and Entrepreneurship have had a tenuous relationship. On the one hand, scholars dating back at least to Adam Smith and Max Weber have argued that religion plays a fundamental role in shaping economics. On the other hand, only scant attention has recently been given as to how and why religion might influence entrepreneurship. Drakopoulou & Seaman (1998) argue that

entrepreneurship and religion have a complex and independent relationship, in which entrepreneurship affects a believer's entrepreneurial activity and his point of view about ethics and the use of profits. The omission of religion as a determinant of economic activity is startling, given the recent suggestion by Edmund Phelps that *"values and attitudes are as much a part of the economy as institutions and policies are. Some impede others enable"* (Audretsch, et al., 2006).

Between the second century and the Enlightenment (in the eighteenth century), Christian theology shaped debates about economic behavior. The main interest of the Church was to recommend and criticize areas where economic actions had moral implications. The early Church, and most of the New Testament in particular, are opposed to the pursuit of wealth. This is contained in the writings of many of the Church fathers, and is shown in, for example, the long-lived ban on usury, which is the charging of interests on loans. Since the provisions of capital, and the creation of businesses in an attempt to become rich, were not acceptable ethically, there were clear moral disincentives to entrepreneurship (Petrakis, et al., 2003).

Even in the very early Church, however, there is a tension between the need for man to work so as to feed himself, and gather income to give as charity (as seen in St. Paul, for example), and the dangers that chasing after money, envy and greed can create from the soul. These teachings were perpetuated by the Church Fathers and others, and written into the very powerful Canon Law of the Church. They are an important stage in the development of economic ideas about entrepreneurs, and their mistrust, suspicion and dislike of entrepreneurs as being somehow shady and greedy still exists in many European cultures. Ethics, business suspicion and mistrust have greatly influenced the image of the entrepreneur as an avid and dishonest man, with the consequence that, even today, in some European countries, entrepreneurs are questioned about their intentions (Petrakis et al., 2003, Bourletidis & Samitas, 2005).

In the new Universities created from the 12th to the 16th century, many priests and monks worked on understanding how businesses and the economy should be dealt with, always speaking in the light of ethics. Elements of their research have drawn not only from the texts of the Church, but also from the writings of Aristotle, in order to combine Aristotle's limited appreciation of the Church's trade and distrust. Gradually, and for more than 400 years, they have achieved broader acceptance of economic and business activity (Drakopoulou & Seaman, 1998). For the Platonic School, whilst making a living was acceptable and honorable, what we might term enthusiastic entrepreneurship is viewed with suspicion and sometimes downright hostility. Plato in particular was resistant

to money making and the accumulation of private property. He also taught that the elevation of wealth-creation of a prime position in one's life detracted from striving towards the more important goal of mental, physical and spiritual perfection (Karayiannis, 1990, pp. 7-8; 1992, p. 71).

Aristotle, by contrast, was a firm supporter of self-interest, private property and family-ties, and opposed to the quasi-communist ideas of Plato. He distinguished sharply, however, between two ways of becoming rich. The production of goods and services he classified as natural, and the charging of interest upon loans as unnatural 'chrematistics' (*Politics*, 1275b, 20-1258a; Rolls, 1961, p. 33). Yet even Aristotle is not a whole-hearted supporter of the entrepreneur: "*The life of moneymaking is a constrained kind of life, and clearly wealth is not the Good we are in search of, for it is only good as a means of being useful, a means of something else*" (*Nicomachean ethics* 1096a 5-10) (Drakopoulou & Seaman, 1998).

Thomas Aquinas (1220-1279), while arguing that there was something "Cheap" (*quandam turpitudinem*) in relation to trade, agreed with Aristotle's view that the pursuit of obtaining property and satisfying his personal interest compels a person to work harder. Aquinas recognized six ways to justify someone's engagement in business or commerce. These are summarized in the following points (Aquinas, T 1996 edition):

1. in the need of man to ensure a livelihood,
2. the desire to accumulate money for charity,
3. the concession of wealth accumulated for the creation of public utilities,
4. the added value we bring through the improvement of goods,
5. fluctuations in the value of a good resulting from temporal or geographical differences,
6. risk taking by the trader, which is offset by a fee that could be regarded as a business profit.

It is worth noting that the climate for the entrepreneur is gradually changing. Aquinas recognizes the role of the entrepreneur:

1. to add value to goods,
2. to redefine them temporally and spatially, where the offer is scarce,
3. to recognize also that the risk assumption implies some future financial performance.

The entrepreneur begins to be understood as an entity useful in society and the economy (Petrakis et al., 2003). A century later by Aquinas, the Nicole Oresme (1320-1380), bishop of Lisieux, wrote that the main concern of the Lords should

be the protection of the financial value in a way that allows the proper conduct of trade. Oresme felt that the entrepreneur had an important place in the development of the local economy. After another one hundred years, St. Anthony of Florence (1389-1459), proceeded to further research. He disagreed with Aristotle as regards to the money having only internal and replaceable value and he argued that part of its value is due to the role assigned to it as a prerequisite of the creation of business. This shows that the lending of funds for business purposes was becoming legitimate (Bourletidis & Samitas, 2005).

Anderson (1988, p. 1068) notes, *"in Wealth, Smith was not interested in theological issues or even the nature of religious belief. Instead, he was concerned with two basic problems:*

- (1) The economic incentives involved in the individual's decision to practice religion and*
- (2) The economic effects of different systems of religious belief as reflected in individual behavior. He did not attempt to develop an economic theory of the emergence of religious beliefs. Smith attempted the more limited task of defining the logical economic consequences of certain kinds of religious beliefs".*

2. Max Weber's Protestant Spirit.

Something that should be pointed out is that Weber as well as several other sociologists has indicated that certain groups of people are engaged in business when they feel that they have been excluded from the Orthodox working current. These groups, mostly including the immigrants, the Jews and, sometimes, the women. There is a remarkable stream of researchers studying the unique nature of the socially excluded entrepreneurs (Kets de Vries, 1977). In his book *<The Protestant Ethics and the Spirit of Capitalism>* (1904-5), Weber attempts to explain why the development of modern capitalism became feasible in Europe at the time of the Industrial Revolution. We have already analyzed that the Church, in its early phase, opposed the business activities, as did the Ancient Greeks (Drakopoulou & Seaman, 1998).

According to Weber, at the time of the Reform, an important theological approach took place, when Martin Luther and Calvin developed the early Protestant Theology. Martin Luther introduced the concept of *"Beruf"* (job), or a callout, by which he meant a person's intense appeal to the completion of a particular task. For Martin Luther, the strict adherence to the rules, the suffering, the challenges and the dedication required by hard work were sacred things that the individual expressed through their daily life (Weber, 1930).

Martin Luther believed that the individual could communicate directly with God and that they did not need the clerics as mediators. He recommended asceticism, thrift and quiet living. Taking together, Weber claims, this sanctification of earthly work, individualism, and asceticism helped to promote a propensity to entrepreneurship amongst Europe's early Protestant minorities. The linkage of all these things together, the consecration of the immanent life, the individualism and the asceticism contributed, according to Weber, to the promotion and emergence of the entrepreneurial spirit among the European minorities of the Protestants (Weber, 1930; cf. Drakopoulou & Seaman, 1998).

This trend has been exacerbated even more by the exclusion of the Protestants from many forms of works. The Universities had not yet thrown off the character of the religious institution and all those that did not appertain to the prevailing Catholic faith and religion, did not have access to them. Thus, in countries like France and Germany, Protestants had been excluded from the Catholic Universities. In Great Britain the members of the Protestant doctrines were forbidden by the Church to enroll in English universities, until about 125 years ago. The Jewish community faced similar troubles. The university studies were essential for those who desired to become physicians, lawyers, engineers or scientists. Thus, by depriving both the religious and the national minorities of the right to attend universities, the society itself was pushing them towards self-employment and the development of entrepreneurial initiatives and activities. Nevertheless, in relation to Weber's work there was severe criticism, without lacking supporters of it. Weber's link between the Protestant theological movement and entrepreneurship is nowadays clearly distinguished in the way that the western societies perceive entrepreneurship (Drakopoulou & Seaman, 1998).

More or less empirical evidence supports Weber's view. Klandt (1984) found that it is still Protestants in Germany who predominate over Catholics in terms of self-employment. Many of the major figures of British industrial development were members of Protestant sects, such as the great Quaker chocolate dynasties (Cadbury, Rowntree, Fr. Terry). Other authors have challenged Weber's theory on a number of fronts, not least because it lessens the importance of Catholic Northern Italy in the maturation of capitalist economy. It was Italian monks, after all, who first developed a double entry bookkeeping. In spite of this, his work retains considerable influence.

The link which Weber made between Protestant Theology and enterprise can be seen expressed in some modern political rhetoric. The notion of the entrepreneur as outsider has been used to explain ethnic enterprise, female

enterprise, and to generate psychodynamic models of the entrepreneur.

3. The Orthodox Church's View of Entrepreneurial Activity.

The Orthodox Church and its Theological approach did not attempt the synthesis of a systemic theory on entrepreneurship and, in particular, on the entrepreneurial activity of the Clergy as well as the other Christians. Elements and concepts of financial and business activity and thought are diffused in various religious texts either as Parables (see the parable of the talents), either as examples of moral and social behavior.

The Orthodox Church is an organization of diverse activities. It includes actions related to the purpose and purpose of the church (worship rituals, teaching, pastoral or guidance activities), but also "regional" type activities with social, economic and in this context "entrepreneurial" texture. The life of Orthodox ministers, including contemporary monks, incorporates entrepreneurial activity. But the purpose of selling some of the products produced in the monasteries is not the profit and accumulation of capital, but the survival of the monks, the self-sufficiency of the monastery, and the fulfillment of other spiritual purposes, such as the pursuit of charity. Consequently, the financial results, where they exist, are not an end in itself, as is the case with the "secular" type of entrepreneurship.

The values pursued by the Church's "entrepreneurial action" are soteriological, and seek to "redemption" as the "greatest" gain of every person (Economou, 2003). The Orthodox Church considers the awareness of the notion of "Entrepreneurship" to be the study of the relationship of God, Man, and the World. In the way Orthodoxy perceives entrepreneurship, there is a very important distinction: The business owner does not identify with the entrepreneur. Although on the basis of everyday practice each entrepreneur is considered the owner of his business, the theologically ultimate owner is God.

The raw materials, the surrounding space and the business abilities of a man are the creation and ownership of God.

God is therefore "*Owner*" (Κτήτωρ), and "*Creator*". The possibility of "Creation" establishes the right of Divine property and the assignment of its conditional use. By making a reduction to modern terminology, we could say that God is the "Ownership Shareholder" who provides through franchise raw materials and know-how. In fact, according to the approach of the Orthodox Church, even the "Entrepreneur" man is the property and property of God and that is why in the theological texts it is also referred to as "property part"

(περιούσιος). All this know-how, the raw materials, the chapter and the knowledge of God's handling are reflected in the term "trust" which is recorded in many theological texts (John Chrysostom, Makarios the Egyptian, according to the Matthew Gospel). Etymologically the term describes something given with "trust". It is distinguished in two forms:

- (a) The "subjective", which includes the innumerable possibilities given to man and formulated theologically in the phrase "in the image of God", and
- (b) The "objective" or real estate that refers to the natural resources provided for man to implement his business venture.

A particular and distinctive principle of the "trust" is that it is provided without discrimination to all people by God in the form of "free" sponsorship. The notion of "trust" of both subjective and objective in conjunction with entrepreneurship is contained in an inductive way in the parable of the talents (Economou, 2003; Bourletidis, 2007).

But what exactly is the role of man as a businessman in the context of Orthodox religion? The man – entrepreneur according to the orthodox concept is installed in the natural environment as a natural resource manager and conservator of the natural space. It is the carrier of the "trust" recipient and its manager. This relationship of the entrepreneur with the trust is for a limited time, because of the temporary existence of human existence on earth. The entrepreneur's management capacity must be based on some principles:

1. the first principle underlines that human happiness is not dependent on profit,
2. the second principle separates longevity and individual growth from wealth,
3. earnings under the third principle must be reinvested in production to increase only through the production process,
4. according to the fourth principle man is a manager and not an owner of capital and resources,
5. the Fifth and Last Authority considers that man becomes the real owner of entrepreneurial profits only when he spends them on the good and needs of others. If he uses wealth for individual reasons, then we speak as John Chrysostom underlines for "Managing Alojorisation" (Economou, 2003; Bourletidis, 2007).

The use of capital and wealth is participatory. Participation in capital is based on:

- (a) the universal participation in its formation,
- (b) the proportional relationship between the rich and the society, with the role of an organ of the human body towards the rest of the body,
- (c) the common benefit of creating various products and services, and
- (d) the interdependence of people leading to the exchange of products and services.

Conclusions.

The very earliest writers who touch on entrepreneurship are the ancient Greek philosophers, followed by the founders of the Christian Church. Although Aristotle and St. Paul acknowledge the importance of entrepreneurship, or independent economic activity, for human development, a mistrust of such behavior is clear amongst most other writers. This has remained in some culture until today. The notion of profit is criticized when the entrepreneur is driven to profligate at the expense of society. Business profits should not only be transformed into tangible goods, but also into charitable acts and charities that improve the life of society and, of course, change the image of society for the entrepreneur for the better.

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