

ON THE ISSUE OF ENTREPRENEURSHIP IN ECONOMIC THOUGHT IN THE 18TH CENTURY AND IN THE FIRST HALF OF THE 19TH CENTURY IN THE CZECH LANDS.

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Abstract

The paper focuses on the reflection of the issue of business and the entrepreneur in the writings of representatives of late (enlightened) Cameralism in the Czech lands in the second half of the 18th century and its reverberation in the first half of the 19th century in symbiosis with the penetration of A. Smith's teachings as reflected in the development of the then newly established field of university studies under the name "Polizei- und Cameralwissenschaften", later "Politische Wissenschaften". It depicts the reinforcement of the image of an economy that operates on the basis of market relations and the strengthening of the role of the entrepreneur and business in the ideological superstructure of society by overcoming the views or doctrines of the house (Aristotle's economic views that had dominated European universities for centuries) and despite opposition from the Church and other groups of Enlightenment opponents. It also contributes to illuminating the genesis and evolution of the foundations of Czech professional economic terminology. Particularly focusing on the work of František L. Rieger (1808 - 1903). Creating the linguistic preconditions for the later real formation of the "Czech" entrepreneur and "Czech" business in the second half of the nineteenth century.

Key words: Czech business and Czech entrepreneur, Politische Wissenschaften, Czech professional economic terminology.

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Introduction

The aim of the paper is to contribute to the search for the roots of the image of the entrepreneur and entrepreneurship, or more precisely the "Czech" entrepreneur and entrepreneurship in the period of late Cameralism, a period in which economic thinking was represented by the field of university studies called "Politische Wissenschaften" (political science). Two periods can be distinguished in the Late Cameralism period. The period of the second half of the 18th century, in which the doctrine developed, and the period of 'decline' in confrontation with the teachings

of A. Smith (1723-1790), which began to penetrate more intensively into teaching after the turn of the 18th and 19th centuries.

The intent of the paper is hampered by several circumstances. Firstly, the concept of the entrepreneur was not clearly defined in the contemporary literature and its image was subject to changes in the course of historical development. This view is also shared by the literature (see e.g. Geršlová 2012, Popelka 2011). The issue will be traced in the literature of representatives of late chamberism in the Czech lands (Magnuson 2021, Busch 2011, Seppel 2023, Krames 2018, Krames 2010). We will narrow the image of the entrepreneur with the adjective "*Czech*" entrepreneur" or "*Czech*" entrepreneurship. The specification of the "*Czech*" entrepreneur is linked to the development of the Czech language. That is, as a cultural tool of the representatives of late Cameralism, the German language was mainly used, which was promoted in education against Latin. The Czech language was only beginning to take shape as a cultural tool /as one of the features of the national revival/, but Czech professional economic terminology was completely absent in the period under review. Czech terminology in which the economic phenomena and processes of the period under study could be formulated. The beginnings of its formation can be placed in the 1930s or 1940s to 1960s of the 19th century. It is connected with the processes of the formation of Czech capital, with the closing of the social composition of Czech national society. The beginnings of *Czech* entrepreneurship can also be placed here.

1. The image of entrepreneurship in political science as a means of solving problems of economic and social development.

The field of political science was a newly introduced field in the third third of the XVIII century among the fields of university studies at the University of Prague and the University of Olomouc. It became one of the **tools** to promote the conditions of entrepreneurship. The **practical significance of the field** lay, among other things, in its very close connection with politics (the field can be seen as an expression of the concept of /economic/ policy). The prerequisite was the detachment of state policy from religious objectives, which enabled the field to be linked to the political and power objectives of the state.

In the eighteenth century, the introduction of political science as a field of university study for the purpose of training civil servants was associated with a period in which the state

was determined to build a unified national economy and a centralized state. The Cameralists divided economics into two parts, the "*Landesökonomie*" (*rural* economics) and the "*Stadtökonomie*" (*urban* economics). The process of overcoming the economic differences between the two parts and creating a unified national economy also became the process of creating modern society. It was a process of economic (and also political centralization). Entrepreneurship penetrated into the relations of the two parts of the economy and formed, among other things, one of the means of resolving the relations between them. "The 'rural economy' supplied raw materials and foodstuffs to meet its needs and for the needs of the 'urban economy', which supplied artisanal and manufactory products for export and for exchange for the production of the 'rural economy', among other things. Entrepreneurship was also supported in turn by the simultaneous development of internal trade, which linked the two spheres. The balance between the 'urban economy' and the 'rural economy', based on the emerging *internal trade*, and the process of '*commercialisation*' of agriculture were expressions of this process. The formation of entrepreneurship was at the heart of these processes. We will focus our attention on the 'rural economy' because the main mass of the Czech population lived there. The "rural economy" hindered the commercialisation processes and lagged behind the development of the "urban economy". One of the chamberlains who was involved in proposals to overcome this state of affairs was Joseph Ignatz Butschek, Knight of Heraltic (1741-1821), professor of political science at the University of Prague. His colleague at the University of Olomouc, *Leopold Ludwig Schulz* von Straßnitzki (1743-1814), also contributed several writings to the doctrine of chamberism.

1. 1 The first agricultural reform.

J. I. Butschek's proposals were based (as were those of other Austrian chamberlains) on a rejection of the agricultural policy of Jean-Baptiste Colbert (1619-1683), the French mercantilist and Minister of Finance to King Louis XVI of France (1638-1715). To promote the competitiveness of French manufactures, Colbert sought to reduce their costs through economic policy. Colbert banned the export of French agricultural products and at the same time completely freed the import of agricultural produce from abroad. As a result, the price of French agricultural produce and the cost of living were depressed. He thus succeeded in reducing labour costs. On the other hand, he undermined French agriculture. The Austrian Cameralists rejected such a policy and based their own policy on its negation.

In addition to a number of proposals for the promotion of agriculture, Butschek suggested the parcelling of larger agricultural units into small holdings of about 3 to 6 jiters of land (Butschek, 1768). From the reform he hoped to increase agricultural production, labour productivity, employment growth and increase state revenues. Parcelization suppressed unfree labour (e.g. serfdom) and shifted economic activity in agriculture towards entrepreneurship. According to the calculations of contemporary experts, free labour was up to four times more productive than serf labour. Butschek took an extreme position in his proposal for division.

The state also had an important role to play in supporting the market environment. Market pricing was to be free but influenced by state regulation of supply and demand. Limited rural demand should be supported by a range of measures. The court should travel around the country. Universities, courts should move to rural areas. The nobility should be obliged to spend a significant part of the year on their estates and consume their pensions there. The state was also to support the supply side. It was to build warehouses and grain stocks to prevent speculation. Social changes and processes such as raabisation, abolition of serfdom, abolition of serfdom, abolition of robots, abolition of guilds, etc. paved the way for the spread of entrepreneurship.

Market relations that link manufactory production with agricultural production will make the agricultural business profitable. Relating agricultural production to the division of labour and market relations and exchange (commercialisation of agriculture) shifted economic activity in agriculture towards entrepreneurship. There was a shift in the characterization of the agricultural enterprise and in the problem of ownership (see also Cronbach, 1907 on this). Butschek and the Cameralists in general encountered a wide range of criticism.

For example, František Zauschner (Zauschner 1770), according to Butschek "a local official of the upper class", spoke critically against Butschek. Zauschner argued that farms that were too small could only produce products for the needs of the farm, but not for the market at all. The reform thus missed the mark.

Another Enlightenment scholar, Prof. John Henry Seibt (1735-1806), argued that education and pedagogy were the means of state power, not the population principle and political science. (Seibt 1771). An anonymous author (probably Butschek) refutes Seibt's logic (anonymous 1771).

A very sharp anti-American critical reaction came from the church, which controlled the school system. For example, the rector of the University of Olomouc, Slavíček, described political science as heresy. He placed various obstacles in the way of teaching political science.

Behind the opposition of the Church leaders to the Cameroonians were, among other things, ideas based on the views of Aristotle (or Thomas Aquinas). According to them, among other things, the **unlimited** accumulation of wealth through the accumulation of money is associated with injustice and sin.

2. The road to the genesis of the Czech entrepreneur

The spread of the conditions of entrepreneurship was accompanied by the development of economic thinking, which gradually shifted to the path (theory) of individual decision-making. The principle of population as the so-called ultimate purpose of economic policy and political science and the means to fulfill it, reflecting the power goals and interests of the state, was aligned with the interests of the individual. The term "Privatka" appears in the teachings of the Cameralists. Depending on the context, it can perhaps be defined as a private person pursuing his own economic interest, which is to increase his private wealth, without regard to the goals of the state. However, the policy measures of the state do not counteract private effects. Rather, they seek to use them as a means to a general end. That is, to reconcile the benefit of the state (whose ultimate purpose is the principle of population) with the benefit of the individual, under which the concept of entrepreneur can also be included. The principle of self-interest manifests itself in rational action - rationality - which is governed by the principle of economy. Entrepreneurship is related to management based on the principle of economy. The foundations for entrepreneurship are laid. For the calculation of revenues and costs.

A. Bráf (1851-1912), one of the founders of Czech economic science at the turn of the 19th and 20th centuries, reminded us that the "entrepreneurial spirit" is not a natural characteristic of man. A person can acquire the qualities and knowledge of an entrepreneur in a natural entrepreneurial environment; if such an environment does not exist, the population must be educated to it. (Bráf, 1913, p. 45).

It is necessary to add that the development and transformation of the image of entrepreneurship, entrepreneurship was accompanied by changes in the content of categories related to entrepreneurship, such as economics, economy, management, the principle of personal interest, economy, wealth, profit and others.

Adam Smith's *Wealth of Nations* was translated into German in 1776 (Volume 1) and 1778 (Volume 2). The work went unnoticed at first (see Roscher 1874, p. 598), but in the first decade of the nineteenth century A. Smith's teachings spread in Germany and Austria. A. Smith raised

the relationship between individual, personal interest and the general interest to a new level. The pursuit of personal, self-interest is not only ethically justifiable but even positively evaluated because it does not harm the actions of other subjects. On the contrary, it enables the promotion of welfare through the invisible hand of the market. It is the basis for the harmony of personal interests and the interests of nations. However, both the teachings of the physiocrats and those of A. Smith establish new foundations for economic science. The first to separate the concept of "entrepreneur" from that of "capitalist" was the eminent French representative of the classical school of political economy, Jean-Baptiste Say (1767-1832). He is considered the founder of the theory of factors of production. According to Say, the factor of labour can be subdivided into the labour of the artist, the labour of the worker and the *labour of the entrepreneur*. He connected it with the concepts - cost, revenue, profit.

In the first half of the 19th century, chamber music was already on the decline. For example, the basic ultimate purpose of political science - the principle of population (die Vermehrung der Bewölkerung) in the concrete form of employment growth - came into conflict with the development of economic reality in the period of industrialisation. The teachings of the chamberists, for example, were strongly opposed to the introduction of such devices and machines that lead to employment savings. Apprenticeship became obsolete and receded into the background in the first half of the 19th century. Its place was gradually taken by the 'new science' - the classical school of political economy. Reception of the teachings of A. Smith and other classical economists adopted a new name - Volkswirtschaft and Nationalökonomie - in Czech: national economy.

Although economic and social development continued towards a modern industrial society, Czech national society participated in this development rather by forming a wage-earning proletariat and found itself under the competitive pressure of the economic elites. Individuals who emerged from a Bohemian background and experienced social ascent among the owners of capital had to make use of the German language and the environment of German capital. The social rise was manifested in the formation of the Czech intelligentsia - Czech teachers, clerks, priests, etc. rather than the Czech entrepreneur.

A solution to the situation of how the Czech nation could acquire capital and at the same time emancipate itself socially was offered in the second half of the 1860s by František Ladislav Chleborad (1839-1911), a Czech reformer. His solution consisted in a programme in which he proposed that workers should become entrepreneurs. In Chleborad's terminology - to establish "journeymen entrepreneurs". Workers are to establish manufacturing, credit, trade and other

associations (cooperatives). At the same time, existing business owners are to allow workers to share in the profits and management of the enterprise. In Chleborad's terminology, they are to be transformed into "businesses from scratch". Chleborad thus offers a solution to the social question and the economic emancipation of Czech society through the formation of businesses (see e.g. Chleborad 1869). The image of the entrepreneur thus took on a special form in the Czech environment. In practice, the reform seemed to succeed when it was swept away by the economic depression of 1873 and the following years. In the Bohemian environment, the path to entrepreneurship was taking on a unique form.

3. Adjective "Czech" in relation to the concept of entrepreneur and business.

Initially, the business develops in a German language environment. German asserted itself in universities against Latin. German asserts itself as the language of the Austrian Enlightenment, the unifying language (against Latin), the language of administration and the language of the new field. On the other hand, a department of the Czech language was established at the University of Prague.

The Czech language functions as a cultural medium and becomes one of the signs of national revival (e.g. with works such as Mácha's *Máj*, etc.). However, in the economic field, for a long time Czech has only served as a means of communication. The creation of Czech professional economic terminology lagged behind the development. In almost the entire period of late Cameralism, the Czech language lacked Czech professional economic equivalents that would have made it possible to transfer professional terminology into the Czech language.

Czech professional economic terminology has been formed more significantly since the 1930s and has accompanied all the emancipation processes of Czech national society. The "Czech" entrepreneur and Czech professional economic terminology accompany the process of completing and closing the social composition of Czech society, the formation of Czech capital, and the creation of a bourgeoisie class promoting Czech interests in the Czech language. In language - elevated from a mere means of communication to a cultural one, especially in the form of Czech professional economic terminology - national business interests were formulated and economic doctrine was interpreted at universities. The success of the emancipation processes presupposed an institutional background: Czech schools, authorities, etc. Without the institutional background and the Czech language, the social rise and formation of the Czech "bourgeoisie" and "Czech" entrepreneurship would not have been possible.

F. L. Rieger (1818-1903), whose importance in this field has not yet been sufficiently appreciated, can be regarded as a pioneer in the creation of Czech professional economic terminology. Rieger was mainly inspired by French economic terms. In France, he studied and translated a French textbook into Czech (Droz 1853), wrote several writings in Czech and submitted a habilitation thesis in Czech. In the so-called "Rieger's" Dictionary of Learning he is the author of economic entries.

Personalities associated with the activities of *the Unity for the Encouragement of Industry in Bohemia* participated in the process of creating Czech professional economic terminology. The *Jednota pro povzbuzení průmyslu v Čechách* had a library of economic literature. These personalities included, in addition to Rieger, František August Brauner (1810-1880), Josef Pravoslav Trojan (1815-1893), Karel Havlíček Borovský (1821-1856) and others. The *Jednota* initiated the translation of German technical terminology by Prof. J. S. Presel (1791-1849) and the publication of the *Jednota Technological Journal* for the encouragement of industry in Bohemia. It should be added that the terminology was not completely uniform in the early days of its formation. Unity in terminology was achieved with a time lag.

Conclusion

The paper focuses on the development of the image of entrepreneurship and the entrepreneur in the period of the peak of late Cameralism until the end of the 18th century and in the period of its decline in the first half of the 19th century and the penetration of A. Smith's teachings into the teaching of political science at universities in the Czech lands. The process of strengthening entrepreneurship, especially in the field of 'rural economy' (Landesökonomie), where the main mass of the Czech population lived in the period under review. In the views of J. Butschek, the reform (called in the literature the first land reform), in addition to technical recommendations for improving agricultural production, consisted in a proposal for the parcelling of farms into small cottage farms, accompanied by the liberation of dependent workers (serfs, labourers) and their being drawn into market relations. The views of the cameralists faced criticism from a wide range of opponents. They ranged from a high ranking official (Karl Zauschner and the first economic polemic) through the criticism of the representative of the so-called "krasoduch" Prof. Seibt - another branch of the Austrian Enlightenment - to the representatives of the Catholic Church. The progressive developments associated with business were promoted in the environment of German, which was the language that was promoted in university teaching against Latin and as the language of administration. The process resulted, among other things,

in the formation of *the Czech* entrepreneur and *Czech* business against the background of the development of the Czech language, which, in the economic field, moved from the position of a mere means of communication to the level of the formation of Czech professional economic terminology, in which the interests of Czech business and Czech national-emancipation interests could already be formulated.

The beginnings were connected with the Union for the Encouragement of Industry in Bohemia and especially with the personality of František Ladislav Rieger. The development of (Czech) business became a means of creating Czech capital in the reform of František Ladislav Chleborad. Wage-earners were to be transformed into entrepreneurs. They were to set up cooperatives called "business journeymen" and existing enterprises were to be transformed into "business journeymen". Czech national society will thus acquire "Czech" capital and the hitherto unfinished social composition of Czech society will be closed. Until 1873 it appeared to be successful in practice. In the depression, however, most of the cooperatives disappeared and the reform collapsed. All the social processes of Czech society were already taking place against the background of Czech economic terminology, without which they would not have been possible.

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