

*Entrepreneurship in Theory and History. Edited by Youssef Cassis and Ioanna Pepelasis Minoglou.* Basingstoke, U.K.: Palgrave Macmillan, 2005. xiii + 211 pp. Figures, tables, bibliography, notes, index. Cloth, £55.00. ISBN: 1-403-93947-0.

Reviewed by Franco Amatori

Entrepreneurship has been rediscovered by economists, scholars in managerial sciences, and business historians. There are several reasons for this revived appreciation of entrepreneurs, most critically the crises encountered by large corporations under the governance of managers and bureaucrats, coupled with the recognition that entrepreneurially based small businesses have carved out a decisive space of their own. Typically, great entrepreneurs led the huge restructuring process of the nineties. But perhaps the most important reason for the awakened interest in the subject has been the ability of successful entrepreneurs to ride the great wave of innovation that has taken place in industries such as electronics and information-communication technologies. Their efforts have brought the world into the era of globalization.

Entrepreneurship is so critical to the wealth and competitiveness of a nation that all advanced countries have attempted to codify it—both for instructional purposes and as an aid in formulating industrial policies. But notwithstanding its acknowledged importance in the economic process, entrepreneurship is an elusive phenomenon, one that is difficult to define and so protean as to defy categorization in mathematically formalized discourse. Entrepreneurship appears in different sizes—from large corporations to small retail shops—and it assumes various forms. It can be the motivation for a scientist to assign economic values to his or her lab activity, or it can be the guiding force for a well-educated manager of a large corporation who utilizes techniques learned in business school. It can also be what pushes the impetuous, instinctive type who is able to anticipate demand and build an economic empire.

Entrepreneurship can occur over the course of an extended, day-by-day process or it can take place in a dramatic leap. Certainly a good litmus test for detecting the presence of entrepreneurship is whether the person has the capacity to create something new. Then again, innovation does not explain everything. Not everyone we identify as an

entrepreneur is an exceptional innovator. There are more hard questions—rather than definitive answers—in the attempt to grapple with the definition of entrepreneurship. Some of the relevant questions would be these: What are entrepreneurs engaged in besides simple innovation? Who are they? Are they individuals who risk their own money? Such persons could be salaried managers or even members of a team or collective entity. What relationship do entrepreneurs have with the organizations they create? Are entrepreneurs indispensable to economic growth? Is it possible to separate entrepreneurship from its historical, economic, and social environment? Finally, is entrepreneurship independent of time and space?

These questions are clearly addressed in the introduction by the editors of this small, but highly useful, book that forms the first installment of the published proceedings of an eponymous conference organized by the Department of Economics of Athens University in Greece in 2002. A second volume dealing with national cases is due out soon.

The primary goal of the editors is to bring together history and theory, making scholars aware that business history has operated within the Chandlerian tradition and has thus been more concerned with enterprise than with entrepreneurs. The book is divided into two sections: “Theoretical Approaches” and “Thematic Approaches.” Under the title “Entrepreneurship and Historical Explanation,” Mark Casson and Andrew Godley offer an eclectic theory of entrepreneurship, and they set forth excellent guidelines for historical research, headlined by the well-known Cassonian definition of the entrepreneur as an individual who is able to make judicious decisions about coordinating scarce resources.

Also in the first section, and writing from the perspective of a mainstream economist, George Bitros explores the interrelationship between entrepreneurship and economies of scale and scope. Bitros observes how the development of multiproduct technologies characterized by economies of scale and scope has led to losses in market coordination due to increases in market imperfections. James Foreman-Peck eloquently demonstrates how theory and evidence have been quantitatively linked in the historical study of entrepreneurship, thereby allowing judgments to be made about entrepreneurship’s causes and effects with increasing precision. As an economist,

Foremen-Peck opts to measure entrepreneurship via sophisticated statistical methods, such as data envelopment analysis and stochastic frontier analysis.

The thematic section comprises four essays. The first, François Caron's examination of the process of innovation within the firm, outlines its role in the entrepreneurial process. Caron stresses the fact that innovation is not exclusively a process of creative destruction but is also the outcome of continuous experience. Richard Coopey investigates the intricate and complex relationship between investment and entrepreneurship, concentrating on the history of venture capital in postwar Britain and the United States.

Finally, Youssef Cassis, one of the volume's editors, writes about the creators of large companies who symbolize the Schumpeterian idea of entrepreneurship, as indicated by their achievements, their personalities, and their motivation. The historian Ioanna Pepelasis Minoglou and her coauthor, the economist Stavros Ioannides, in an interdisciplinary contribution, study the trading companies that have emerged in the Greek diaspora. They describe how entrepreneurs in Greece prefer organizations that are less hierarchical, more volatile, and less dependent on family relations than their counterparts in Western Europe and North America, preferences that can be explained by the cultural climate that has built up over a long historical process.

This small volume is richly suggestive of topics that merit further research. From this—and the next scheduled second volume, which will cover national cases—we can see that the field is ready for a large comparative investigation, which is the only way we will discover what we need to know about a complex subject. With such a comparative work on hand, historians will have the tools to engage in a fruitful dialogue with economists, management students, and other social scientists.

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