
It is a pleasure to recommend this excellent volume to all who are concerned with the evolution and operation of profit-oriented business enterprise. Dr. Cole, professor emeritus of business economics and former librarian of Baker Library, Harvard University, has long been one of the outstanding historians of the American business scene. Here he presents the reflections of a lifetime of leadership in the community of those interested in the study of economic and business history, particularly in the approach called entrepreneurial history. At no time has this leadership been more satisfactorily displayed than in the Janus quality of this work. Cole presents not only a backward look in the shape of an informed survey of the significance of past studies of entrepreneurship, but also, and of even more interest to researchers, a creative forward look in the form of a theoretical pattern or structure for the study of entrepreneurship.

But what is entrepreneurship to Dr. Cole? He uses the term in two ways: first, to refer to a function or activity, and, second, to refer to the aggregate communality of those performing this function. As a function it is "the purposeful activity (including an integrated sequence of decisions) of an individual or group of individuals, undertaken to initiate, maintain, or aggrandize a profit oriented business unit for the production or distribution of economic goods or services. The aggregate of individuals which together and cooperatively develop the decisions might perhaps be denominated the entrepreneurial team" (p. 7). "Decision making is the critical or key operation in entrepreneurship" (p. 10). "To study the entrepreneur is to study the central figure in modern economic development and, to my way of thinking, the central figure in economics" (p. 28).

Part I examines the nature of the entrepreneurial world in terms of structure and motivation. The entrepreneur is conceived as operating "in the center of a series of concentric circles or riding a log in the grip of a set of close and distant forces" (p. 233). In the innermost circle, the relations between the entrepreneurs and their associates are described in terms of sociological concepts of roles and sanctions. The changing roles and the sanctions that shape them are discussed as affected by changes in control of the business units, by their increasing complexity, and by the rising sense of public and social responsibility among business executives.

In the middle circle, the interaction of entrepreneurial units in the "entrepreneurial stream" is described. This stream is a flow in which each unit performs more productively than if acting alone, a circular and cumulative flow possessed of multiplier effects in which productive, ancillary, and service institutions render mutual support in evolution and creativity, and in which economic growth is aided by the "ever-swelling flood of business information of all types" (p. 91). Nor are the elements of competition and monopoly in the interaction of entrepreneurial units omitted from the discussion.
In the outermost circle comes the impact of the "more general, the broader ranging elements in human societies—the social conditioning of entrepreneurship" (p. 98)—the forces that influence the circumstances under which entrepreneurship comes into existence, those that affect the quality of the talent attracted to it, and those that affect the changing and manifold relationships of the rest of a given society with the entrepreneurial segment. Thus a variety of forces influence the motivations, the modes of conduct, and the effectiveness of the entrepreneurs—education, resources, governmental administration, ethnic coherences, cultural forces, etc.

"It is only by giving attention to such a broad assemblage of factors that one can hope to give answers to such questions of prime importance for a study of economic development as: how the system of production got into its present form? What makes it operate in the way that it does? Is the performance getting better or worse? What is likely to happen in the future? Present-day economics is not geared by its traditions, its methods, or its objectives to deal with such questions. In a Western world devoted dominantly to private enterprise, only a type of economics with a time dimension in which entrepreneurial activity is the central thread can hope to render enlightening answers" (p. 134).

Part II presents a series of descriptive essays surveying in the light of the approach outlined in Part I the field of writing upon entrepreneurship. Many of the essays cover the work of the Entrepreneurial Center in Entrepreneurial History at Harvard University during the time from 1948 to 1958 when Dr. Cole played such a central role, but many draw upon the studies of others stimulated to an approach similar to that of the Harvard group. These essays center around "the relations of entrepreneurs to social classes, to primitive economic conditions, to technological changes, to the different forms of economic organization, and to government" (p. 139) in a search for the discoveries of uniformities and generalizations which will be useful for further explorations.

The book closes with a summary essay on the process of entrepreneurial change. The range of information, the insights, and the fruitful suggestions for further study are too numerous and significant to be suggested in a review. It is in the belief that perusal of this work will be provocative and stimulating to all who are interested in business enterprise in its social setting that we recommend its careful study.

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General and local studies about the business corporation and its role in American economic life have increased in number, scope, and significance during the last quarter century as is indicated in the Preface to the volume under review. In The Wisconsin Business