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Book Review : Entrepreneurship: New Perspectives in a Global Age

The Reviewers

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Entrepreneurship: New Perspectives in a Global Age

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It has often been said that the importance of a work can be measured by the number of previous works it makes superfluous or duplicative to read. De Bruin and Dupuis' new book turns this around. They whet the appetite for a whole literature broadly characterised as the sociology of entrepreneurship, a field which management education normally neglects. The book is useful in that it cites more than 700 previous works of everything from feminist economics, sociology, and management, to finance, marketing and social policy – all as they relate to entrepreneurship. It would serve as a useful textbook for Master's-level students in the sociology of work, economic sociology, entrepreneurship and society, and entrepreneurship research methods. However, though its insights are timely, it is doubtful whether a practising entrepreneur would benefit from the theoretical and conceptual propositions.

Professor Anne de Bruin is Professor at Massey University's School of Commerce, where she specialises in entrepreneurship and regional development. Dr Ann Dupuis is on the staff of Massey's School of Social and Cultural Studies where she teaches sociology, gender, and economic sociology. Together they provide a fresh, daresay unconventional, perspective to entrepreneurship research through their non-managerial approach.

The book's theoretical focus is inspired by Mark Granovetter, who in 1985 urged economists and sociologists to theorise economic action through its links with social structure: "Economic action is embedded in structures of social relations" (Granovetter, 1985, p. 481). The economy, just like all human activity, is structurally embedded in social networks that affect its functioning. Not a new observation, this focus on "context" has deep roots in social science, tracing back to Polanyi, who argued "the human economy ... is embedded and enmeshed in institutions, economic and non-economic. The inclusion of the non-economic is vital" (Polanyi *et al.*, 1971, p. 250).

The authors thus add to this school of thought by offering a diverse set of theoretical and empirical analyses of how embeddedness relates to entrepreneurship. After a discussion of explanatory concepts and themes, particularly of "constrained entrepreneurship", the book goes on to present various perspectives by the two primary and seven other co-authors about topics as diverse as ethical entrepreneurship, entrepreneurial capital, electronic entrepreneurship, familial entrepreneurship, community entrepreneurship, municipal-community entrepreneurship, state entrepreneurship, indigenous entrepreneurship, elder entrepreneurship, and youth entrepreneurship.

The embeddedness approach (one can hardly say it is a theory) sees entrepreneurship as part of a larger institutional structure. Granovetter (1985) uses the term in a more specific way to mean that economic action takes place within the networks of social relations that make up the social structure. One might criticise this orientation as limiting since culture also has a direct bearing on entrepreneurial opportunity (DiMaggio, 1990, 1994; Frederick and Henry, 2004). Indeed, the book does not acknowledge the extent to which existing cultural norms encourage, or do not discourage, individual actions that may lead to new ways of conducting business or economic activities and, in turn, lead to greater dispersion in wealth and income. Many authors, including other economic sociologists, have focussed on how culture has constrained (or promoted) entrepreneurship.

The book's major contribution, in the reviewer's opinion, is the extension and elaboration of the concept of "constrained entrepreneurship", which aims to provide an alternative to the literature's emphasis on atomised, profit-driven, self-maximising, ego-centred, wealth-accumulating entrepreneurs of the ideal type. In this view, entrepreneurial activity is shaped by factors (or constraints) that influence the conditions that lead to new venture start-ups and business growth. These would normally have included financial support; government policies; government programmes; education and training; research and development transfer; commercial and professional infrastructure; market openness/barriers to entry; access to physical infrastructure; and cultural and social norms. However, De Bruin and Dupuis go beyond this to propose a framework for contextual study of entrepreneurship by looking at the macro- and micro-level constraints.

The dilemma that the authors face, and do not successfully overcome, is that they define entrepreneurship simply as "running a business". "The constrained entrepreneurship

framework... enables the incorporation of entrepreneurial elements which are integral to the successful running of a business” (p. 26). Or “we acknowledge [running a business] as entrepreneurship” (p. 34). Certainly there is a huge difference between an entrepreneur (who exploits innovative venture opportunities and creates new markets) and a small business person (who exploits existing equilibrium opportunities and optimises supply and demand in established markets). Notwithstanding the literature's difficulty in defining precisely what we mean by entrepreneur, this emphasis on those who merely “run a business” is unnecessary and limiting. Given that limitation, however, the authors go on to illuminate a great number of constraints that limit entrepreneurs.

The book includes a variety of very interesting cases that illustrate the authors’ viewpoints. The emphasis on New Zealand cases does not limit their general applicability. These cases include Maori-run whale watching, youth entrepreneurs, a business high school, sister cities, urban economic development, incubators, indigenous self-employment schemes, and entrepreneurship education programmes. All of these draw on secondary sources and there are few primary empirical data. Most of the argumentation is theoretical/conceptual and is aimed at the professional or graduate student audience.

Entrepreneurship: New Perspectives in a Global Age accomplishes what it sets out to do: to provide a fresh and innovative approach to entrepreneurship within the economic sociology literature. The themes of embedded entrepreneurship and constrained entrepreneurship are central to a number of chapters. Of special value is the repeated observation that entrepreneurs are more than just the “ideal-type” self-maximisers, rather real human individuals who actually operate within organisational and economic contexts.

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