Is the goal of promoting black business ownership an end in itself, or should black enterprise be envisioned as a catalyst for the ghetto's economic development? That is the critical question addressed in Bates's book. Contrary to popular notions, Bates's conclusion is straightforward: black-owned business is alive and well in certain sectors and offers the best hope for the inner-city economy.

However, once you accept Bates's premise on the viability of black business in certain sectors, there is another critical question that must be addressed in terms of support. Should the most "deprived" minority businesses, i.e., those that need help the most, be the target of government funding to bolster black entrepreneurship, or should those that have better prospects for success in self-employment? To put it more bluntly, why help those who are already successful? Once again Bates is straightforward in his conclusion: programs targeted to lower income, less educated entrepreneurs simply produce mass business failures. He advocates that support should be directed toward those who are most likely to achieve broader economic development for the black community, i.e., those entrepreneurs who are most capable of furthering business expansion and job creation.

To address both of these core issues, Bates not only provides his own insightful reasoning, but he also amasses an array of evidence based on data from other studies and his own analysis. The book is well documented and should be useful to scholars, students, and policymakers. Given that the subject of minority business development has not received much attention over the past few years, this book offers a re-
freshing perspective on an issue where many politicians are groping for answers, e.g., both black and white politicians have observed that the Los Angeles riots are a clear indication of what can happen when attention is not given to the crucial issue of inner-city development.

The book is divided into seven chapters. Chapters one and two are particularly helpful because they establish the basis for understanding the important role of black business ownership. Generally social scientists have questioned the viability of the black business community by observing that such businesses are heavily concentrated in several lines of small-scale service and retailing activities that hold minimal potential for growth, e.g., the mom-and-pop food store, the beauty parlor, the barbershop, etc.

However, Bates draws attention to those black-owned businesses that heretofore have been neglected in an assessment of minority business viability, primarily because they are in areas where historically minority representation has been low. He refers to these as “emerging businesses.” In particular, chapter two examines traditional lines of black enterprise in historical perspective and shows how discrimination has played a role in shaping black businesses and how limited education has handicapped black entrepreneurs. In addition, he provides a detailed description of the “emerging businesses.”

When Bates speaks of black-owned businesses being on the rise, he is focusing on those emerging firms that have moved away from serving primarily the consumer market to serving other businesses, as well as government markets. These black-owned businesses recently have ventured into industries that traditionally have been white dominated, such as construction, wholesaling, and high-tech business services and skill-intensive industries, particularly finance and business services.

Bates maintains that government assistance should be targeted toward minority-owned firms because these are the ones that primarily hire minority workers, and especially toward the emerging businesses because they offer the best hope of significantly improving the well-being of the inner city. His analysis shows that while white owners of small businesses continue to exclude minorities, black owners by contrast consistently hire minority workers. Only 3.2 percent of minority firms employ a work force that is 50 percent or more white. Even those black employers outside of the minority neighborhoods employ mainly minorities.

Although black businesses are expanding in certain sectors, Bates points out that there still are major barriers that limit the progression of black businesses. The first is inadequate capitalization. Blacks tend to have little personal wealth. This combined with discriminatory action by the banks have made it difficult for blacks to start businesses. Another obstacle is the court’s challenges to the right for minority business assistance programs to exist. The third constraint is the limited access to markets. Inner-city black communities are consistently and increasingly being left out of business